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Aftershocks Jolt Los Angeles Amid Gridlock on the Freeways

Compiled by Our Staff From Dispatches

LOS ANGELES — A day after an earthquake killed 34 people, residents were jolted again by violent aftershocks, struggling to move on shattered freeways and searched through collapsed buildings for more victims.

Giant chunks of the region's vital freeways lay smashed, foretelling months or perhaps years of traffic snarls in a city whose residents virtually live in their cars.

Insurance industry officials said the property damage would far exceed the \$7 billion caused in the 1989 San Francisco quake.

A major aftershock, measuring 4.7 on the Richter scale and strong enough to cause further damage, rattled the area Tuesday morning. There was an aftershock of equal strength 30 minutes later.

The White House said Tuesday that President Bill Clinton would fly to California on Wednesday to visit the scene of the quake.

The death toll rose to 34 on Tuesday when rescue workers found the body of a 16th victim in an apartment building that collapsed near the quake's epicenter, in suburban Northridge.

The quake Monday measured 6.6 on the Richter scale. It was the strongest earthquake to hit Los Angeles since Feb. 9, 1971, when 64 people were killed in a temblor that measured 6.5 on the Richter scale. The 1989 San Francisco quake measured 6.9 and killed 67.

On Monday, an estimated 1,870 people were injured and more than 15,000 left homeless. Thousands of others were afraid to sleep in their undamaged homes for fear that their ceilings would crash down.

One aftershock after another rumbled through the area Tuesday, adding to the damage, causing more injuries and fear.

"Please, please, please make it stop," pleaded an elderly woman in suburban Canoga Park.

Schools and many businesses remained closed Tuesday, but many Los Angeles residents took to their cars, causing traffic gridlock around the sprawling city.

The California Highway Patrol said a normal 90-minute commute from the Antelope Valley to downtown Los Angeles would take six hours. A section of the Antelope Valley freeway collapsed Monday, killing a motorcycle policeman.

City officials said almost every facet of life



A woman and child sitting amidst the rubble of their apartment building, which was devastated by the earthquake, in the San Fernando Valley town of Pacoima, California.

Clinton Takes New Blow as Inman Drops Pentagon Bid

Defense Nominee Cites Attacks in News Media And Partisan Politics

By Joseph Fitchett

WASHINGTON — In a blow to the Clinton administration's efforts to strengthen its management of security issues, Bobby Ray Inman abruptly withdrew Tuesday as the president's nominee for secretary of defense.

The precise reasons for his withdrawal were unclear, but Mr. Inman complained in a letter to the president and at a news conference about what he called biased attacks on him in the news media and partisan opposition from Republicans in Congress.

He unleashed a tirade of accusations at William Safire, the New York Times columnist, accusing him of McCarthyist tactics in blackening his reputation while other journalists, government officials and friends were failing to come to his defense.

Mr. Safire has been almost alone in publicly attacking Mr. Inman's qualifications for the Pentagon job, but Mr. Inman said the journalist was working with Republicans, including Bob Dole of Kansas, the Senate minority leader, to damage the Democratic administration of President Bill Clinton.

[Mr. Dole said Mr. Inman was "probably not qualified to be secretary of defense if he has fantasies like that." Reuters reporter.]

"I don't work for the newspaper," he said. "He has the right to say anything he wants. He probably didn't want the job."

[Mr. Safire declined to respond to the charge immediately, and an aide said he would address the matter in his column.]

The implication in Mr. Inman's remarks was that he would face harsh questioning in the Senate that would have tarnished his reputation. His background includes stints running the National Security Agency, which handles government eavesdropping, and working as the deputy director of the Central Intelligence Agency, where he was, in effect, Congress's eyes and ears concerning U.S. undercover work during the Reagan administration.

The Senate hearings also would have looked into his personal life, particularly his business dealings in the years since he left government.

Mr. Inman seemed confident, even in stepping down, that he could have ridden out the effects of his failure to pay Social Security taxes on a baby sitter he employed — charges similar to those that sank nominations at the start of the Clinton administration.

His record would certainly have come under close congressional scrutiny regarding his role on the board of directors at a Pennsylvania defense contractor, International Signal & Control. After the company was purchased in 1989 by Ferranti International PLC, a British defense contractor, it was accused by its new owners of siphoning off millions of dollars from Pentagon contractors.

Mr. Inman said his decision to withdraw was a consequence of a fractious climate in Washington that would hamper his hopes of making major changes in defense policy. He mentioned the personal attacks on Mr. Clinton, along with the threat of similar attacks being directed at him.

Mr. Inman had been chosen as a bipartisan specialist whose position at the Pentagon would bolster the Clinton administration's credibility in managing foreign policy and defense issues.

His abrupt refusal to go forward will prolong the impression of a vacuum in defense policymaking and add to the list of misjudgments on high-level personnel that have dogged the Clinton administration.

Mr. Clinton was hoping for renewed stature as a result of just-completed summit meetings with European leaders and with the Russian president, Boris N. Yeltsin. Mr. Inman said that he had delayed the announcement of his withdrawal so as not to spoil prospects for the Clinton trip.

In his letter to Mr. Clinton, Mr. Inman said,

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Prosecutor Finds Reagan Acquiesced in Iran-Contra Final Report Assails Bush on Pardons

International Herald Tribune

WASHINGTON — President Ronald Reagan, while not legally culpable, embraced "willful" acts by senior aides in the Iran-contra scandal of the 1980s and later acquiesced in a White House cover-up, the independent prosecutor in the case said Tuesday.

In issuing his final report after a seven-year investigation, the prosecutor, Lawrence R. Walsh, argued strongly that the sale of arms to Iran in the 1980s and the illegal diversion of arms-sale profits to Nicaragua's anti-Communist rebels did not represent a "rogue" operation by White House operatives.

Mr. Walsh also concluded that evidence was lacking to bring charges against then-Vice President George Bush, but he harshly criticized the 1992 pardon of Iran-contra figures that Mr. Bush issued as president, calling it "the most unjustified act."

Evidence was not sufficient, Mr. Walsh said, to prosecute either Mr. Reagan, Mr. Bush, President Reagan's attorney general, Edwin

Meese 3d, or Mr. Reagan's White House chief of staff, Donald T. Regan.

At a news conference, Mr. Walsh, a court-appointed special counsel, said that Mr. Reagan "thought he was serving the country" and had "no self-centered purpose" by broadly authorizing arms shipments and aid to the Nicaraguan rebels, known as contras.

"It was in no way a rogue operation," Mr. Walsh said. Rather, he described the scandal as "a willful pair of acts embraced by a president carried out by persons who wanted to serve the president's policies but found they could not do so without running a risk of violating the law."

Mr. Meese and Mr. Bush immediately denounced the report's conclusions as unfair and unsupported by the facts. A statement from Mr. Reagan said the report was little more than a "vehicle for baseless accusations."

Mr. Walsh was far more critical of Mr. Bush than Mr. Reagan, saying that Mr. Bush "can never justify" his Christmas Eve 1992 pardon of former Defense Secretary Casper W. Weinberger and five other Iran-contra figures.

"President Bush will always have to answer for the pardon," Mr. Walsh declared.

Mr. Walsh had accused Mr. Weinberger of concealing his handwritten notes, which detailed key White House meetings.

The scandal erupted in 1986 while Americans remained hostage in Lebanon and while the Reagan White House was seeking to support rebels fighting the leftist Sandinista government in Nicaragua. Congress, in a break with White House policy, voted to cut off aid to the rebels.

It was soon learned that U.S. arms had found their way to Iran in a White House effort to buy the freedom of the American hostages, an arms-for-hostages swap that Mr. Reagan had publicly vowed never to pursue.

It was also learned that, in an operation directed by the White House, some of the proceeds from the sale of the arms to Iran had been used by the contras to purchase weapons.

Mr. Walsh obtained convictions against 11 people in the affair, but his two major convictions were lost on appeal — the cases against John M. Poindexter, the former White House national security adviser, and Oliver L. North, a member of Mr. Reagan's National Security Council staff.

Mr. North masterminded the plan to sell arms to Iran and divert the proceeds to contras.

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Russian Turmoil Spurs Rush on Dollars

By Steven Erlanger

New York Times Service

MOSCOW — Russians clamored to buy dollars, and the ruble fell sharply again Tuesday, as President Boris N. Yeltsin and his prime minister, Viktor S. Chernomyrdin, apparently failed to settle on the composition of a new government without the country's best-known market reformers.

After six hours of talks, the president and the prime minister left in the evening for their country houses, and a spokesman said they might meet again Wednesday. Their inability to announce a new government left a small degree of suspense about Finance Minister Boris G. Fyodorov, who has come to symbolize the fate of economic reform itself following the resignation Sunday of Yegor T. Gaidar.

Mr. Fyodorov, who turned down a job in the new government on Tuesday because his conditions had not been met, was said to be holding his options open in case Mr. Yeltsin offered him a counterproposal.

Mr. Fyodorov's apparent departure from the government prompted panic on Tuesday, as Russians stormed currency exchanges and banks to try to turn their increasingly devalued rubles into dollars.

On the Moscow currency exchange, despite central bank intervention, the ruble fell 7.3 percent, to 1,504 to the dollar, down from 1,402 on Monday.

That means the ruble has lost 21 percent of its value since the beginning of the year, when it traded at 1,247 to the dollar.

This kind of panic can only help Mr. Fyodorov, though Mr. Yeltsin is likely to resent the pressure the young man is putting on him. But the one person Mr. Yeltsin cannot afford to offend is Mr. Chernomyrdin, who can argue that the December elections were a vote for softer reforms and more help to faltering industry, caught between communism and a nascent market.

Western diplomats who have tried to be

sanguine or even dismissive about the resignation of Mr. Gaidar, after his party, Russia's Choice, did worse than expected in December elections, regard the fate of Mr. Fyodorov as an important indicator of Russia's near-term future. He is a tough bureaucratic insider who has tried to rein in excess spending and cut inflation.

If Mr. Fyodorov quits, after the departure of Mr. Gaidar, the architect of Russia's reforms, "then it would be very difficult for Yeltsin and Chernomyrdin to convince anyone that reform will be preserved," Mikhail Berger, the respected economics editor of Izvestia, wrote Tuesday.

A senior Western diplomat said: "If Fyodorov goes, so does the likelihood of real economic stabilization." Asked if President Bill Clinton would be embarrassed by the

damage to the prospects of economic reform, after his meeting here last week, he answered: "I would think more furious than embarrassed."

Mr. Fyodorov, 35, had given an ultimatum, saying he would only stay on as finance minister if the anti-reform director of the central bank, Viktor V. Geraschenko, was replaced; if a socialist deputy prime minister, Alexander K. Zavarukha, did not outlast Mr. Fyodorov; and if the Finance Ministry had a veto over most financial decisions of the government.

Mr. Fyodorov's challenge to Mr. Yeltsin — to choose a new generation of economic reformers over older figures from the Soviet Communist bureaucracy — was reportedly rejected, and Mr. Fyodorov refused the offer.

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Money-changing was brisk Tuesday in Moscow as the ruble fell to a record low.

Brain Trust Finds Lenin Was Merely 'Talented'

Reuters

MOSCOW — Russian scientists, lifting a veil on 70 years of secret research on Lenin's brain, exploded another Communist myth on Tuesday by revealing that it was much like anyone else's.

"In the anatomical structure of Lenin's brain there is nothing sensational," said Oleg Adrianov, director of the Moscow Brain Institute where experts have spent most of this century trying to establish the secret of the Bolshevik leader's genius.

Lenin's brain, Mr. Adrianov told the Itar-Tass news agency, was "undoubtedly the brain of a talented man."

But he said the area of the right hemisphere's outer surface was only just bigger than average, and the weight of the brain, at 1.34 kilograms

(2 pounds 15 ounces), was less than two-thirds the weight of the novelist Ivan Turgenev's.

Lenin's brain, dissected into thousands of slices, has lain in exalted company at the secretive institute, perhaps the most bizarre and Orwellian feature of the cult surrounding him. It was joined over the years by the brains of such figures as Stalin, the Soviet revolutionary poet Vladimir Mayakovsky and the filmmaker Sergei Eisenstein.

Mr. Adrianov said Lenin's brain lacked "the sharply defined 'speech faculty' areas we discovered in the outstanding orator Vladimir Mayakovsky."

Of Lenin's successor, he added dismissively: "In Stalin's brain we didn't find any special features at all."

U.S. Locomotive Has Lost Steam, but It's Still Out Front

By Lawrence Malkin

International Herald Tribune

NEW YORK — Of all the industrialized world's economies, that of the United States provides the strongest base for growth in the coming year. When America's economy dominated the world 40 years ago, it would have pumped out prosperity from Tokyo to Trieste.

This year, it will mainly set a good example, because the sources of global prosperity now are diffuse.

No more quick dashes for growth. No huge head of steam to pull the rest of the world like a locomotive. The authority for this is no less than President Bill Clinton.

"We're trying to have slow, steady, disciplined growth that will lead to a vigorous but noninflationary economy," the president said in December.

Virtually all private forecasters agree that

this is exactly what he will get this year: a strong start underwriting real growth of about 3 percent, unemployment diminishing only slowly and an inflation rate that will probably be lower than the real growth rate for the first time since the economy emerged from the recession of 1982.

"We are just not the power we used to be, and the Third World is taking an increasing portion of global trade," said Brian Fabbri, an international economic consultant. What's more, he said, by running a trade deficit that has increased from \$73 billion in 1991 to about \$122 billion in 1993 and about the same in 1994, the United States has already done about all it can to stimulate the world economy.

"We usually discover locomotives when we tell someone else to be one," said Alan Stogor of Kissinger Associates.

This time no one is being told. Instead, Treas-

ury Undersecretary Lawrence H. Summers, the administration's point man for international economic coordination, is preaching that virtue is its own reward: Lower interest rates for Europe, higher deficit spending for Japan.

When and How?

Ending the world recession

Last in a series of articles on returning the world's industrial economies to competitiveness and real growth.

and industrial restructuring for both along American lines will help the world recover.

Mr. Summers contends that U.S. policy has already set its own example. By finally halting the growth of the federal budget deficit, the administration has proved Mr. Summers' thesis. Lower interest rates are stimulating hous-

ing, automobile production and business investment. Wall Street agrees.

"Low rates are all the administration has to cancel out the drag of the higher taxes it imposed to cut the deficit," said Robert Giordano, chief economist of Goldman Sachs — whose old boss, Robert Rubin, now is Mr. Clinton's chief economic coordinator.

The scenario is so well understood by America's partners that the Clinton Treasury, unlike its predecessors, did not bother to press for a turn-of-the-year meeting by the Group of Seven finance ministers.

But there are other, more fundamental reasons why an economic explosion in one country does not automatically light the fuse in its trading partners.

No longer does the world's principal eco-

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Japan to Accept Foreign Bids

By Paul Blustein

Washington Post Service

TOKYO — The Japanese government approved on Tuesday a plan for opening up bidding on major public works projects to all qualified companies, including foreign ones, responding both to widespread disgust at home over corruption in the construction industry and to the threat of American sanctions.

The plan, given backing by the cabinet of Prime Minister Morihiro Hosokawa, provides a detailed blueprint for implementing Tokyo's broad pledge of Oct. 26 to introduce open, competitive bidding on public works.

In an apparent coincidence, Tokyo prosecutors arrested on Tuesday two officials of Obayashi Corp., a construction company. The two are suspected of paying a 10 million yen (\$390,000) bribe in 1992 to the then-mayor of the northern city of Sendai. The executives were the latest of more than 30 people who have been arrested on suspicion of swapping cash for contracts. (Page 15)

Tokyo's Oct. 26 pledge came as a U.S. sanctions deadline loomed. At that time, Washington halted the move as historic, but said it wanted to see the details, and postponed the sanctions deadline for nearly three months.

In Washington, a spokesman for Mickey Kantor, the U.S. trade representative, said Mr. Kantor was studying the plan and would announce Thursday whether Washington approved it or would go ahead with sanctions.

A Foreign Ministry official went out of his way to rebut suggestions that Tokyo was acting

See JAPAN, Page 8

Kiosk			
Mandela Weighs Non-ANC Leader			
PRETORIA (Reuters) — Nelson Mandela said Tuesday his African National Congress might appoint someone else as president of South Africa after the historic all-race elections it is expected to win in April.			
"We stand for a government of national unity," he said after a meeting with Foreign Minister Alain Juppé of France in Pretoria. "It may well be that we may consider it in the interests of the people of South Africa as a whole, to have a president, a head of state, from outside the ANC," he said.			
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Dow Jones			
3,870.29	Unchanged		
Trib Index			
Up 0.60%			
113.08			
The Dollar			
	1993	1994	1995
DM	1.7485	1.7525	
Franc	1.486	1.486	
Yen	110.79	111.135	
FF	5.9395	6.9476	
Newsstand Prices			
Andorra	9.00 FF	Luxembourg 40 L.	Fr.
Antilles	11.20 FF	Morocco	12 Dh
Comoros	1.400 CFA	Qatar	3.00 Riels
Dominican	11.20 FF	Romania	11.20 FF
Egypt	5.000	Saudi Arabia	5.00 R.
France	9.00 FF	Senegal	900 CFA
Gabon	900 CFA	Spain	200 PTAS
Greece	300 Dr.	Tanzania	1,000 Dln
Ivory Coast	11.20 CFA	Turkey	12,000
Jordan	1.00 JD	U.A.E.	3.20 Dirh
Lebanon	1.50 U.S. \$	U.S. \$	1.10

Bosnia Rivals Reopen Talks, but They Fall Apart Fast

Washington Post Service

GENEVA — The Bosnian peace negotiations fell into shambles here Tuesday, with Serbs and Muslims accusing each other of rejecting the proposed outlines for a settlement and of preparing to make war instead of peace.

The talks, resumed after a monthlong break in which the fighting in Bosnia steadily escalated, seemed to be headed for a total breakdown, threatening to touch off the worst round of fighting since the bloodiest conflict in post-World War II Europe began 21 months ago.

Early Tuesday morning, David Owen, one of two international mediators in the talks, said that prospects for success were "not very high." Thorvald Stoltenberg, the other mediator, said the atmosphere "has never been less conducive to a settlement."

A spokesman for the conference said it was still uncertain whether it would be possible to hold a

plenary session bringing together all the participants, including President Slobodan Milosevic of Serbia and President Franjo Tudjman of Croatia.

Mr. Milosevic said Tuesday he had reached no understanding in his talks with the president and prime minister of Bosnia, calling them "one endless discussion" and complaining "there are always new requests."

The Muslim-led Bosnian government came to this latest round of negotiations bolstered by a string of military successes against both Serbian and Croatian forces and visibly more confident of its military position than ever before.

Radovan Karadzic, the leader of the self-proclaimed Serbian state in Bosnia-Herzegovina, said the Bosnian government was insisting that territories with Muslim majorities seized by the Serbs and "ethnically cleansed" had to be returned as part of any peace agreement.

The Bosnian Serbs, who have lost ground for the first time to several counteroffensives launched by the Bosnian Army since November, arrived here with a warning from Mr. Karadzic that if there was no agreement "we shall have to prepare for all-out war."

Mr. Karadzic said he saw only "a very small chance" for any agreement here.

It was almost immediately evident that neither the Bosnian Serbs nor the Muslim-led Bosnian government delegation was really ready to make the kind of compromises that will be necessary to obtain an accord.

The Serbs came to the talks with a revised map for their proposed partition of Bosnia into three ethnically based independent states that would give the Muslims exactly 33.5 percent of the country.

This would meet at least on paper the demand set forth by the European Union that the Muslims be given at least one-third of the total territory. The Serbs

would still keep 57 percent, and the Croats would be given the remainder.

Even before the two delegations had met to discuss the Serbian map, Mohammed Sacirbey, the Bosnian government spokesman, rejected it, saying the land being offered to the Muslims was not viable.

Mr. Sacirbey also asserted that the United Nations and the North Atlantic Treaty Organization were not lending their support to help achieve a peace settlement. He said that the postponement of the use of force to open the airport at Tuzla and extricate its troops from Srebrenica, ordered by the UN secretary-general, Boutros Boutros Ghali, was "not very helpful."

Mr. Sacirbey called the decision to further study the use of force, which was announced Monday, further evidence that the UN secretary held the position "that the status quo is the best way to proceed."

— DAVID B. OTTAWAY

Sowing Uncertainty In Eastern Europe

By David B. Ottaway

Washington Post Service

GENEVA — The U.S. diplomatic offensive in Eastern Europe left behind unanswered questions about whether American policy toward the region will move beyond rhetorical sympathy for its economic and security concerns.

After some early complaining, the U.S. proposal of a Partnership for Peace offering limited military cooperation with NATO was embraced by the leaders of the eight East European and Balkan nations

NEWS ANALYSIS

visited by President Bill Clinton or his envoy, Madeleine K. Albright, the U.S. representative to the United Nations.

But this was mostly because the U.S. plan, together with Mr. Clinton's presence in Prague and Ambassador Albright's 11-day tour of the region, offered these desperately insecure nations the first signs of attention from Washington.

Their leaders were delighted to hear Mr. Clinton and Mrs. Albright repeatedly say that their security was of "direct and material interest" to the United States.

Yet, no one in the Albright delegation was ready to explain exactly what that means. It was carefully crafted as a substitute for the words "security guarantees" — which

NATO and the United States want to avoid as they develop a new relationship with these countries.

Meanwhile, the actual aid offered from Mr. Clinton and Mrs. Albright were noticeably modest — primarily of indirect technical support of regional cooperative projects.

Neither was there any hint of U.S. loans or grants to the countries bordering on Serbia. Their economies have taken a battering because of the cut in trade and transportation links with Serbia in

accordance with UN trade sanctions that were imposed to punish Belgrade for its support of Serbian aggression in Bosnia.

To the complaints of Hungary, Bulgaria and Romania — and their requests to the United Nations for billions of dollars in compensation — Mrs. Albright answered only that upholding the sanctions is the duty of all good UN and potential NATO members.

It also became clear, as Mrs. Albright's trip progressed, that the threat of Russia's "imperialistic tendencies," as Foreign Minister Teodor Melescanu of Romania phrased it, was just one of many security concerns in the region.

Yet the squabbling at the NATO conference in Brussels over what to do about Bosnia was a reminder to these countries that neither the United States nor the alliance offers sure protection.

The United States has set aside what additional foreign aid it can muster for Russia, limiting its "material support" if not its "material interest" to indirect economic assistance.

Mrs. Albright did announce an increase, from \$50 million to \$200 million, in insurance coverage offered to investors by the Overseas Private Investment Corp. and a \$50 million private enterprise fund for Albania.

But mostly her offers were of U.S. technical assistance in helping countries obtain loans and funds from the World Bank and other lending institutions to finance highway projects to facilitate the passage around Serbia of commercial traffic between the Middle East and Western Europe.

As for the Partnership for Peace program offered the Eastern nations in lieu of NATO membership, Mrs. Albright and General John M. Shalikashvili, chairman of the Joint Chiefs of Staff, who accompanied her on part of her tour, said countries that want to take part will have to make a major effort on their own before it benefits them.

A U.S. official noted that it was seven years after the death of Franco before Spain was allowed to join the pact. It is likely to take at least as long before any of the East European nations gains membership.

For one thing, their military equipment, training and command structures are of Soviet origin, and Hungary and Slovakia have just obtained more planes from Russia. The lack of compatibility of their weapons and armies with those of NATO poses obstacles to effective cooperation, according to U.S. officials.

Another problem for the hard-pressed East Europeans is that NATO expects them to pay their own costs for exercises.

France Recalls UN Commander From the Balkans

Reuters

PARIS — France announced on Tuesday that General Jean Cot, the outgoing United Nations commander in former Yugoslavia, will return home at the end of March.

A Defense Ministry statement said France had asked that General Cot, who has disagreed openly with the United Nations secretary-general, Boutros Boutros Ghali, over policy in Bosnia, be replaced by another French general.

Diplomatic sources said Mr. Boutros Ghali demanded the general's removal when he met President Francois Mitterrand in Paris on Jan. 8. The commander had publicly criticized the UN chief's refusal to empower him to order air strikes.

Diplomats said the French were upset at Mr. Boutros Ghali's public reprimand last week of General Cot, the latest in a growing list of senior military commanders who have left in disagreement with the UN's caution in Bosnia. On Jan. 4, the Belgian general in charge of UN forces in Bosnia, Lieutenant General Francis Briquembourg, was withdrawn from his post.

General Cot was named UN commander in the former Yugoslavia in July for a one-year term.



Citizens of Sarajevo lining up Tuesday as snow fell at a Red Cross food kitchen. Conditions for survival in Bosnia are worsening daily.

Vote Likely on Golan Heights

By Clyde Haberman

New York Times Service

JERUSALEM — Prime Minister Yitzhak Rabin warned Israelis on Tuesday that peace with Syria might require them to pay a more "painful price" than they had expected in territorial concessions on the Golan Heights.

If that turns out to be the case, Mr. Rabin said his government would call for a national referendum on the issue, which is unprecedented in Israel.

The proposal, first mentioned by one of his lieutenants on Monday, stirred a sharp public debate Tuesday.

Within the government, some ministers said they preferred full elections, a position echoed by the rightist opposition. Other cabinet members were quoted as saying that the peace talks could be undermined if future public opinion was made a paramount factor at this point.

But some political commentators argued that the specter of a popular vote could work to Mr. Rabin's advantage in several ways.

It could help him fend off Syrian demands for enormous concessions by using the argument that there

was a lack of public support. And it could help him in his battle with anti-government protesters who have filled the country with banners proclaiming that he has no mandate to give away any part of the Golan.

Mr. Rabin offered no hint about what might qualify as a painful price on the Golan Heights, the strategic plateau that Israel had captured from Syria in the 1967 Middle East war, but he said that a "significant withdrawal" could mean uprooting some of the three dozen Jewish settlements there.

To many Israelis, any compromise is too much. The prime minister himself, while saying he was ready to give up land, has repeatedly rejected demands from President Hafez Assad of Syria that he get it all back.

But a full return of the Golan Heights is Mr. Assad's price for peace with Israel. After meeting with President Bill Clinton in Geneva on Sunday, he said that in exchange for that, he was ready for normal relations, words that he had not before uttered in public.

Grudgingly, Mr. Rabin said Tuesday that he would accept those remarks as a basis for resuming

peace talks with Syria in Washington next week.

He said that he had expected more in terms of straightforward statements from the Syrian leader about whether his concept of peace matches Israel's demands for open borders, embassies and trade. Publicly at least, Israeli officials are far less rosy about the Geneva meeting than envoys from the Clinton administration, who came here and described Mr. Assad as having broken new ground with a "strategic choice" to come quickly to terms with Israel, perhaps even by the end of this year.

But even though he is skeptical, Mr. Rabin said, "I am prepared to make do because of the need to continue negotiations."

Response Surprises Syria

"We're surprised by the contradictory reactions in Israel," Mr. Shara said. Reuters reported from Amman, Jordan. "We were expecting a big welcome to what was announced in the wake of the summit between the two presidents. Instead of that we are hearing statements on a referendum and demands for more."

Belgian Leader Tries to Cut Off 'Hate' Call-Ins

Reuters

BRUSSELS — Prime Minister Jean-Luc Dehaene has taken legal action to stop a telephone "hate line" that urges callers to rob his home and shoot him because of his anti-semitic policies.

A spokeswoman for Mr. Dehaene said Tuesday the prime minister had filed a complaint with a public prosecutor over the phone line, which is described as "Dehaene is robbing you, shoot Dehaene."

She said the prosecutor in Antwerp was investigating.

The premium rate, interactive phone line starts off by encouraging callers to push a zero on the phone to show their lack of esteem for the prime minister, who recently announced a stringent austerity plan.

After that, the caller is taken by sound to the prime minister's home in a Brussels suburb and is then encouraged to press the asterisk to activate the noise of a gun.

WORLD BRIEFS

Christian Democrats Adjust in Italy

ROME (NYT) — With little more than two months before national elections, Italy's beleaguered Christian Democratic Party yielded on Tuesday to the political changes sweeping the country and gave itself a new name, new leaders and, it hopes, a new chance to salvage some of its former power base, torn by the scandals that have rent the country.

The leadership of the party, which effectively controlled Italian politics since the country's emergence from World War II, announced that it would now be called the Italian Popular Party.

The changes must still be approved by a party congress Saturday. And on Tuesday a sizable minority resistant to the changes broke away and set up a splinter party called the Christian Democratic Center. To them, the new party fails to present a unified front against the threat of a left-led victory in elections to be held March 27-28, and they have vowed to ally themselves with conservative forces like the separatist Northern League to build a new center-right movement.

— DAVID B. OTTAWAY

Athens Seeks Arts Probe of Ex-Leader

ATHENS (Reuters) — Culture Minister Melina Mercouri said Tuesday she would ask a public prosecutor to investigate whether former Prime Minister Constantine Mitsotakis had legally acquired some of his huge antiquities collection.

"According to our investigation a number of items now belonging to Mr. Mitsotakis were acquired from illegal diggings," Miss Mercouri said at a news conference. She said archaeologists examined Mr. Mitsotakis's collection in his house on Crete and found that a number of items were from graves that had been robbed.

The time Mr. Mitsotakis declared the findings coincided with the time that the graves were robbed, Miss Mercouri said. "It is an atrocity that a former prime minister could have stolen from ancient graves along with common robbers," Mr. Mitsotakis was prime minister from 1990 to 1993.

U.K. Expels 3 Neo-Nazis After Clash

LONDON (AFP) — Two Belgian neo-Nazis and a German one were given 24 hours to leave Britain on Tuesday after being convicted of provoking clashes with anti-racism demonstrators in London.

The Belgians, Steve Clark, 22, and Eddy Vanryckeghem, 28, and the German, Stefan Johannsen, 29, were charged with threatening behavior and criminal damage. Two Britons accused with them were released on bail.

The clashes occurred after neo-Nazis from across Europe arrived for a concert Saturday by a skinhead band in a pub in London's East End. The concert was canceled by the police after anti-Nazi demonstrators turned out to protest. A policeman suffered head wounds, and several demonstrators were hurt when the two sides fought. Three French rightists in possession of bicycle chains were released after questioning.

Ex-Bulgaria Leader Heads for Prison

SOFIA (Reuters) — Bulgaria's former Communist dictator, Todor Zhivkov, is to go to prison after the Supreme Court on Tuesday rejected his appeal against a sentence of seven years for embezzlement, the BTA news agency said.

"My lawyer has not contacted me yet and I do not know what the legal procedures are, but if I have to go to prison I will," Mr. Zhivkov said. The agency said the sentence by the five-member court was effective immediately.

Mr. Zhivkov, who ruled for 35 years until he was removed in 1989, was sentenced last year for stealing 21.5 million leva (then about \$24 million) in public funds. The charges involved the purchase of luxury apartments and Western cars and distribution of entertainment allowances for his family and aides.

Yemen Claims Attack From South

SAN'A, Yemen (Reuters) — The Yemeni president's political party said Tuesday that planes from the south had bombed a northern military camp.

A southern officer denied the charge, leveled on the same day as rival parties signed an accord aimed at resolving a six-month dispute that has threatened to split the 1990 union between the former North and South Yemen. The armed forces of the formerly Marxist south and the conservative north have yet to integrate.

The General People's Congress led by President Ali Abdullah Saleh said a MiG warplane belonging to their southern rivals raided a military unit close to the old border on Monday evening.

UN Envoys to Visit Timorese Rebel

JAKARTA (Reuters) — Two United Nations envoys met with Indonesian officials on Tuesday to discuss ending the long-running conflict over East Timor, officials said.

The officials said the two envoys, Francesco Vendrell and Taimat Samuel, would visit a jailed Timorese guerrilla leader, Jose Xanana Gusmao, but they denied media reports that he might be released as part of a reconciliation process.

The visit, which will include a trip to the former Portuguese colony of East Timor, is part of UN-brokered talks between Lisbon and Jakarta. Indonesian forces invaded the territory in 1975 after Portugal withdrew. Most countries do not recognize Jakarta's claim to the area and the United Nations considers Lisbon the territory's administering authority.

No Charge for Girl in Faked Attack

BERLIN (Reuters) — No charges will be brought against a handicapped German schoolgirl accused of inventing a story about neo-Nazis carving a swastika into her face, a state prosecutor said Tuesday.

The 17-year-old girl, identified as Elke J., was questioned earlier about the alleged incident, which caused a nationwide uproar last week, but will not be charged with faking a crime, said the Saxony-Anhalt state prosecutor, Jürgen Hossfeld.

"The investigation against Elke J. has been discontinued," he said. "The reason for this is that the girl was and is psychologically conspicuous." The girl led police on a futile manhunt for three skinheads last week after telling authorities that they had cut the Nazi emblem into her cheek after she refused to repeat fascist slogans. The maximum penalty for faking a crime is three years in prison.

TRAVEL UPDATE

Danes Stop Work on Sweden Link

COPENHAGEN (Reuters) — Denmark announced Tuesday that it would stop work on a bridge and tunnel project to link Denmark with Sweden after Stockholm put off a final decision on starting construction.

The stoppage mainly affects a planned railroad line and land expropriations on the Danish side of the Øresund Strait. On Thursday, Sweden postponed a decision, saying more environmental checks were needed. Prime Minister Poul Nyrup Rasmussen of Denmark said the work would be put off pending "definite clarification" from Sweden.

Austrian Airlines will start daily flights to the Slovene capital, Ljubljana, on March 27. The airline has concentrated on building a network in Eastern Europe, using Vienna as a gateway.

Virgin Atlantic Airways has begun talks with Air New Zealand on international flight and cooperation about routes, Virgin's marketing director said.

Nearly a thousand travelers were stranded on Madeira on Tuesday as winds of 100 kilometers (about 60 miles) an hour forced Santa Catarina airport to close for the second straight day. TAP Air Portugal canceled all scheduled flights to and from the Portuguese island, about 800 kilometers (500 miles) southwest of Lisbon.

(AP)

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THE AMERICAS / SIGNS OF VITALITY

★POLITICAL NOTES★

Grand Jury Delves Deeper on Clinton Venture

WASHINGTON — A federal grand jury in Little Rock, Arkansas, was reconvened Tuesday to begin a critical new phase in the investigation of ties between President Bill Clinton, an Arkansas land development company and the owner of a failed Arkansas savings and loan.

For the first time, the panel is expected to hear from several central witnesses, including Mr. Clinton's former business partner, and weigh potentially pivotal evidence from boxes of documents the White House was ordered to turn over to government prosecutors in recent days.

The White House files, shipped to Little Rock under FBI guard, relate to an investment in Whitewater Development Co., the real estate concern in which the Clintons were partners with James B. McDougal, the owner of Madison Guaranty, a savings and loan taken over by federal regulators in 1989. Mr. McDougal has been ordered to appear before the grand jury later this week. Other Clinton associates have also been subpoenaed, including Betsy Wright, who was Clinton's chief of staff when he was governor and who supervised campaign finance records.

Justice Department investigators are trying to determine whether Madison funds were improperly diverted to Whitewater to help Mr. Clinton repay a \$30,000 loan for his 1994 campaign for governor. Mr. Clinton has said he engaged in no wrongdoing and that he and his wife, Hillary, lost money in the Whitewater investment.

As U.S. prosecutors seek to understand the financial relationships between the Clintons and Mr. McDougal, Attorney General Janet Reno was preparing to name an independent prosecutor quickly to take over the inquiry into the president's Arkansas land dealings.

The search for a special counsel appears to be a complicated task, as Ms. Reno's aides sift through the records of prospective candidates to avoid any who might be perceived as partisan. (NYT)

Panel Formed to Document Radiation Tests

WASHINGTON — President Clinton established on Tuesday an advisory committee to help his administration uncover the secrets of government radiation tests on humans during the Cold War.

An executive order signed by Mr. Clinton formed the Advisory Committee on Human Radiation Experiments but named no members. The 15-member panel will provide "advice and recommendations" to the Human Radiation Interagency Working Group established on Jan. 3 by Mr. Clinton. The group includes the secretaries of energy, defense, health and human services, and veterans affairs as well as the directors of the CIA and Office of Management and Budget.

A White House statement said that the advisory group would be made up of experts in medicine, science and ethics.

Up to 800 people were exposed to radiation in tests during the Cold War, and many of them apparently were not fully informed of the risks, U.S. government officials say. (AP)

Quote/Unquote

Bobby Ray Inman, the Texas businessman who held top national security jobs in both Republican and Democratic administrations, on why he stepped aside as President Clinton's nominee for defense secretary: "I sensed elements in the media and the political leadership of the country who would rather disparage or destroy reputations than work to effectively govern the country." (AP)

Away From Politics

• The trial of Lorena Bobbitt, who is accused of cutting off her husband's penis, resumed Tuesday after a three-day recess. A court official in Manassas, Virginia, said the jury of seven women and five men could get the case on Wednesday.

• A 43-year-old man shot a cab driver to death to avoid paying \$6 fare, the police in West Palm Beach, Florida, said. The driver was calmly shot during questioning, Sergeant John English said. "No tears, just cold," he said. "We're talking about cold-blooded, premeditated murder committed by a 43-year-old girl who shows no remorse. It's frightening."

• A snow-covered roof collapsed on an apartment complex swimming pool, killing a 14-year-old boy, according to the police in Middlefield, Ohio. A 6-year-old cousin was trapped in the water but was rescued, they said. The town is in a region that has received up to three feet (about a meter) of snow since late December.

• A 91-year-old woman who was found frozen into an inch-thick layer of ice on the floor of her unheated house was rescued by Chicago police. Officers said they found the woman kneeling in a "praying position" with her legs crossed by ice. "We thought she was just frozen dead until we talked to her and she mumbled something," a police spokesman said. He said the ice was formed by water leaking from broken pipes.

• A tractor-trailer rig careened into gasoline pumps Tuesday at a convenience store near Corrigan, Texas, and set off an explosion that killed at least four people. (AP, Reuters)

AMERICAN TOPICS

Dallas, No Cowtown, Gets Cattle Sculpture

The motto of Fort Worth, Texas, is "Where the West Begins." Its citizens are fond of saying that Dallas, 30 miles (about 50 kilometers) east, is "where the East peters out." But Dallas, on a 42-acre (1.7-hectare) downtown plot, is erecting a 19th-century cattle drive in bronze, with 70 larger-than-life steers and three trail riders.

The sculptor is Robert Summers, who built from the Fort Worth area. He created the huge bronze statue of John Wayne at the airport of the same name in Orange County, California.

Promoters of the \$9 million, privately funded project say that when it is completed next year, it will become the city's signature tourist attraction. But numerous detractors point out that Dallas, unlike Fort Worth, was never a cowtown.

While some cattle roamed along the Shawnee Trail through Dallas for a few years in the mid-1800s, the far more important Chisholm Trail passed through the heart of Fort Worth. Dallas grew up as a mercantile city. It does have the Cowboys of professional football — but that name was adopted 30 years ago over local objections.

A sculptor, William Esley, suggested that a sculpture of "a herd of lawyers, bankers and insurance men stampeding through town" would have been more appropriate.

Short Takes

One of the heroes of the Old West being honored in a new stamp issue is Bill Pickett, a son

of former slaves. He became famous by wrestling bulls to the ground in Wild West shows. But members of the family say the stamp, already printed and due to be issued in March, depicts not Bill Pickett but his brother, Ben. Historians agree: Redding the stamp, part of a series of 20 Western heroes that include "Buffalo Bill" Cody, Annie Oakley and Wyatt Earp, would cost \$12 million. Postmaster General Marvin T. Runyon is considering what to do.

Applications to the 84 U.S. women's colleges are up 14 percent since 1991, a 20-year high, The New York Times reports. Enrollment is at a 14-year high of 98,000, up from 82,500 in 1981, according to the Women's College Coalition in Washington.

The reasons include concern over sexual harassment and a widespread belief that parity with men in coeducational schools is yet to be attained, academic experts say. They also cite the fact that Hillary Rodham Clinton, who has become a role model for women, is an alumna of all-female Wellesley College in Massachusetts.

The Big Bang is still the Big Bang. The Washington Post reports. Last year Sky & Telescope magazine drew 13,099 entries for a contest to give a more impressive name to the theoretical moment the universe was created. But none — including The Trip from Zip, Spark in the Dark and Cosmogonies — satisfied the jury, which is composed of Timothy Ferris, a University of California astronomer, Hugh Downs, the television host, and Carl Sagan, who writes books about the cosmos. "The winner is — no one," Mr. Ferris announced. "None can surpass the term 'Big Bang' — even though that was a half-humorous 1930 invention by the astronomer Fred Hoyle."

Arthur Higbee

'Loving Challenges,' Harriman Takes On the French

By Alan Riding

New York Times Service

PARIS — As an early backer of Bill Clinton's and fund-raiser-cum-cheatleader for many other prominent Democrats, Pamela Harriman had no need to convince Washington of her political savvy and client. When she was named American ambassador to Paris, though, the French were quite nervous.

The stories that preceded her arrival in May focused less on her role as a Washington powerbroker and friend of Mr. Clinton's than on the rich and powerful men who had shaped her extraordinary life. Even in the large American colony here, eyebrows were raised.

Was it not odd for the United States to be represented by a 73-year-old British-born aristocrat who was married briefly to Winston Churchill's son, Randolph, and later married and widowed by Leland Hayward, the Broadway producer, and by Averell Harriman, the former diplomat and governor of New York?

Granted, the plum Paris post has often gone to campaign contributors, but was a woman known for presiding over glittering political evenings in her Georgetown home really equipped to run a huge embassy, negotiate complex economic topics, and handle the French?

Indeed, in barely seven months, Mrs. Harriman has convinced the French and Americans that she is after

all the right woman for the job. "If I'd had time to think about it in depth, I'd have probably been too scared to take the post," she said in her office beside the Place de la Concorde.

"Obviously, this is the biggest challenge I've ever had," adding, "I love challenges."

The role of ambassador to France is not easy to define. It involves presiding over a staff of 1,100 that includes representatives of 20 different government agencies. At the same time, relations between Washington and Paris are so complex that important issues are often handled directly by the two governments.

Almost from the moment she arrived in France Mrs. Harriman was drawn into the growing battle between the United States and France over the GATT trade talks. At loggerheads over farm and audiovisual trade, the two sides had reached rare levels of irritation.

"I was a sort of messenger going back and forth," she said of the final tense weeks of bargaining, "explaining to Washington why the French think and argue the way they do and also in the other direction, telling the French why our farmers are just as important to us as theirs are to them."

The French were soon persuaded to take her seriously. "She was very helpful," a Foreign Ministry official said after the trade package was tied up last month.

"We presume she sent the right messages with the right analysis. We all know she has a direct line to the White House, and this is very important. She has weight."

For Mrs. Harriman, her Washington contacts are also a key asset, not only because she can telephone Mr. Clinton when necessary (although she refused to say how often she does so), but also because she can promote closer ties between French and American politicians. "One of the things I've been trying to do is to explain to the French the power of Congress," she said.

The talents she developed in Washington running her own political action committee — "putting people together, maintaining dialogue, keeping channels open," as an embassy staffer put it — have proved useful in Paris, with dinner invitations to her residence now prized by French decision-makers and American residents alike.

"We love glamorous people," a French government official said with a laugh. "And her past, well, for us that's a sign of vitality."

Then there is her art collection, with every visitor eager to see Van Gogh's "White Roses" as well as works by Picasso, Matisse, Cezanne, and others.

"But what I find most useful is that I can speak their language," Mrs. Harriman said of her meetings with the French.

Nor does it do her any harm that she can tell wartime stories about meeting de Gaulle during his visits to No. 10 Downing Street, where she was living with her in-laws, the Churchills.

"You should see the faces of young Gaullists when she says, 'When I had dinner with General de Gaulle, he said...' an embassy official noted.

What appears to have become a nonissue is that she is the first woman to head the Paris U.S. Embassy, which also has women in its second and third top posts. "I think in fact the Europeans are more polite to women than perhaps we are at home," she said.

So, Mrs. Harriman was asked, has she somehow reinvented herself again?

"I think I'm so used to it," she said in an American accent that does not disguise its British origins. "I've had lots of stages in my life. You try and adapt to everyone that comes down the pike. Now I'm trying to do what I'm doing to the best of my ability. So I concentrate on today and tomorrow."

In her case, though, that still means doing two jobs. She is now preparing for Mr. Clinton's first official visit to France in June to mark the 50th anniversary of the Allied landings in Normandy.

But she is also determined not to be forgotten in Washington.

"The habits of 20 years don't change, you know," she said. "Anyway, I'm going back in a few years."



Members of the rebel Zapatista National Liberation Army, which is battling Mexico's government, staking out a southeastern jungle.

Mexican Rebels Plead For a Cutoff of U.S. Aid

The Associated Press

SAN CRISTOBAL DE LAS CASAS, Mexico — Rebels from southern Mexico are urging President Bill Clinton not to provide U.S. aid that they say would be used by the government to fight their efforts.

"Do not stain your hands with our blood in complicity with the Mexican government," the rebels pleaded in a letter to Mr. Clinton and Congress dated Thursday.

The letter, which said it was among a series of statements made public Monday through three Mexican newspapers.

The statement from the Zapatista National Liberation Army said U.S. aid granted to Mexico for the war against drugs was being used "to assassinate Indians in southeastern Mexico."

It said troops, planes and com-

munications equipment earmarked for the government's campaign against drug traffickers were instead used against the indigenous population of the southern state of Chiapas.

"We have nothing to do with drug trafficking or with national or international terrorism," the statement said. "We have grown tired by so many years of cheating and death. It is our right to fight for our lives with dignity."

On Saturday, the newspaper La Jornada reported that the U.S. government asked for and received assurances from Mexican officials that U.S.-supplied helicopters were not being used in combat.

But a U.S. official, who was not identified, was quoted as saying the Americans were told the helicopters were used for logistical support unrelated to the fighting.

A Male Bastion Takes a Legal Hit in College Admissions Case

The Associated Press

WASHINGTON — Chief Justice William H. Rehnquist cleared the way Tuesday for Shannon R. Faulkner to become the first woman to attend day classes with cadets at The Citadel, a 151-year-old military college.

Justice Rehnquist, without comment, set aside a temporary stay he had imposed on Jan. 12, a day before Ms. Faulkner was to have begun her academic career at the state-supported college in Charleston, South Carolina.

Ms. Faulkner's lawsuit challenging the college's males-only admission policy has never been taken to trial. A federal judge and the 4th U.S. Circuit Court of Appeals had ordered The Citadel to admit Ms. Faulkner for day classes while the legal case continued.

In the college's 35-page emergency request to the chief justice, law-

yers for The Citadel said it was being forced to abandon a "justified single-gender admissions policy that has defined its institutional mission and persona since its founding."

They said Ms. Faulkner's attendance at daytime classes would cause irreparable harm because a males-only environment "is essential to The Citadel's holistic educational mission."

Lawyers for Ms. Faulkner contended that the college's request was "based on emotion, not fact or law."

"Faced with the complete absence of any evidence that one woman will destroy its cadet students, The Citadel at heart seeks merely to preserve its long-standing tradition of excluding qualified women based solely on their gender," Ms. Faulkner's lawyers said.

The Clinton administration, which had sided with Ms. Faulkner in the lower courts, argued against extending Justice Rehnquist's temporary stay.

Ms. Faulkner, 18, was accepted by The Citadel after she had references to her gender deleted from

her high school transcript. But the college rejected her application after it learned she was a woman. She then sued, contending that the school had violated her equal-protection rights.

In another decision, the court turned back an attempt to let states

limit the benefits paid to some welfare recipients who have lived in the state for less than six months.

The court, without comment, left intact rulings that a Minnesota law imposing such limits violated new residents' equal-protection right and their right to travel.

It also refused to free California from having to comply with the U.S. minimum-wage law. The court let stand without comment a ruling that California officials had illegally withheld state employees' pay in 1990 when the state began a new fiscal year without a budget.

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Herald Tribune

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Fiscal Folly in Moscow

On its face, Yegor Gaidar's departure from the Russian government is a blow to Boris Yeltsin and an embarrassment to Bill Clinton. Only last Friday in Moscow, President Clinton praised President Yeltsin for his commitment to economic reform, although he was apparently then aware that Mr. Gaidar, one of Russia's ablest reformers, was about to quit as first deputy prime minister. Citing profligate decisions taken without cabinet consultation, he gave a blunt farewell: "I cannot be at one and the same time in the government and in opposition to it."

A dramatic exit, certainly. But not yet a last bow for Mr. Gaidar, who has quit, or threatened to quit, on previous occasions. Resignations are a way of forcing decisions, and one of the biggest facing Mr. Yeltsin is whether to continue on a ruinous inflationary course. The specific moves attacked by Mr. Gaidar illustrate the point: the earmarking of \$500 million for a lavish new parliamentary building, and, far more troubling, a proposed monetary union between Russia and insolvent Belarus.

The draft agreement with Belarus, adopted by the Yeltsin government without discussion, provides that already weak rubles would be exchanged one for one for a still weaker currency, worsening Russia's own monetary hem-

orage. It is the kind of decision that has made Viktor Geraschenko, chairman of the Russian central bank, a symbol of incompetence. He has printed money chiefly to keep unproductive factories afloat. So appalling has been his stewardship that Boris Yeltsin, the finance minister as well as a deputy prime minister, threatens to resign rather than serve with him.

To view these disputes as arguments over the pace of reform wholly misses the point. Runaway inflation sabotages any economic system, and the poorest are the biggest losers. Voters cannot eat worthless rubles. Unfairly if understandably, Mr. Gaidar's reformist party was punished in recent elections by frustrated Russians who turned to ultranationalists.

Fiscal restraint is a precondition for any functioning economy, with or without reforms—a point underscored by Mr. Clinton and his economic team in their overture talks last week. How Russia moves against hyperinflation is first and foremost the job of the Russians themselves.

While not taking sides in Moscow's internal quarrels, Washington needs to keep pressing for an end to fiscal folly. Seen in this context, Mr. Gaidar's exit is a warning. If unheeded, it could presage a calamity.

—THE NEW YORK TIMES

One Word at a Time

Bill Clinton stopped off for a Geneva talk on Sunday with Hafez Assad and extracted from him long-sought approval of eventual "normal" relations with Israel in a peace agreement. You might think it odd that a peace agreement should produce anything but "normal" relations — isn't that the natural goal? You might think it even odder that President Clinton should actually commend President Assad, pay him in diplomatic coin, for speaking the word. But this is how peace proceeds in the Middle East, one word at a time.

Syria seeks the return of the Golan Heights, a swath of territory it lost to Israel in the 1967 war. With the demise of its Soviet patrons, it was forced to make the "strategic choice" that it no longer had a military option to reclaim the Golan, and it then walked through the diplomatic door opened by President George Bush. In the peace talks up to this point, however, Mr. Assad has offered Israel simply a "just," "comprehensive," or "peaceful" peace, meaning that for surrendering every inch of territory Israel would get a cold, no-contacts, no-commitments relationship. He has rejected Israel's demand for open borders, commerce and diplomatic relations — for a full peace with "normal" relations — plus special security guarantees.

In fact, the situation is even tougher than that. For while Syria was holding to a hard line, Israel was getting accustomed to the considerable strategic comforts — the look-outs, the warning time, the threat to Damascus — of Golan's high peaks. And some 14,000 Israeli settlers, mostly recruited by Prime Minister Yitzhak Rabin's own Labor Party, were moving in; they enjoy broad support among the Israeli public. So the stickiness is not all on Syria's side.

Mr. Rabin has been slow to apply Labor's

negotiating formula of land for peace to the Golan Heights. He hesitates to take the political heat that will come from saying that he can't hand down what Syria means by peace.

These are the elements of the diplomatic impasse that President Clinton, who already has embraced the separate Israeli-Palestinian peace initiative, went to Geneva to break. He found President Assad, as others have, a tough and tightly disciplined negotiator; he even violated his intent not to be all smiles in the presence of a bloody-handed tyrant, and joked about the Assad style. But whether he actually broke the Israeli-Syrian impasse remains to be proved.

Mr. Assad spoke a word — "normal" — that much encouraged Mr. Clinton. But he made his gesture, as he commonly does, not to Israel but to the United States, which he plainly hopes to enlist as a mediator rather than as a buffer between himself and Jerusalem. To make the point, he hurled Israeli journalists from his Geneva press conference. Nor did he spell out the content or timing of the "normal" ties he now says he contemplates. All of that remains to be negotiated when the peace talks resume in Washington soon.

If Syria is actually ready to bargain for an Israeli-type peace of openness and confidence, then Israel likely will be torn. They will feel vindicated for having held out for their terms on the Golan. But the closer they come to success at the table, the more doubt they will have about the desirability of surrendering the peaks and settlements and about the wisdom of making any kind of peace with a cruel, dictatorial regime. It will fall to the United States to coax both sides along the difficult path to peace.

—THE WASHINGTON POST

When It All Trembles

To the people of Southern California, it always seems to happen the same way. Some time before dawn, in that deepest hour of sleep, they suddenly awaken, confused and disoriented. The house is shaking. The windows are rattling. In an instant — less time than it takes to read this sentence — they leap from bed, staggering and stumbling and gathering other family members under the flimsy security of a door frame.

And so it was on Monday in the San Fernando Valley, where a violent pre-dawn earthquake, measuring 6.6 on the Richter scale, killed at least 30 people, set fires, buckled freeways and turned buildings into rubble. "This place was moving like a jackhammer was going at it," said Richard Goodier of Sherman Oaks, an affluent Los Angeles suburb. "Our bedroom wall tore away. I was looking at the ceiling one moment, then I was looking at the sky. I thought we were dead."

The elapsed time is generally about 30 sec-

onds, start to finish. And then it stops, although the adrenaline flow, the fear and the aftershocks, some of them large, do not. And then the damage assessment begins.

For the people in and around Los Angeles, that damage includes the tragedy of lost lives, the millions of dollars in property destruction and the widespread inconvenience caused by the severing of four of the region's busiest highways, daily arteries for hundreds of thousands of commuters.

Only someone who has been through an earthquake can possibly understand the terror it brings. In the days and weeks to come, the slightest noise in the night — the creak of a screen door, the flapping of a shutter — will bring residents of the San Fernando Valley fully awake, hearts quivering. They, better than most of us, will understand the precariousness of human life on the edge of nature's immense, imponderable forces.

—THE NEW YORK TIMES

Other Comment

Election Year for Germany

As Germany launches into a year of 19 local, state, national and European Union elections, Chancellor Helmut Kohl must wonder in his darker moments if he is fated to be a Margaret Thatcher or a George Bush. His Christian Democratic Union could dump him, Thatcher-fashion, after an anticipated poor showing in Lower Saxony in March. Or, much more likely, the CDU could be defeated, Bush-style, in October federal elections.

How could the "chancellor of unification" be in such a predicament? For the same reasons the U.S. president who triumphed in the Gulf War could be defeated in a word, recession — a recession compounded by the unexpected burdens of trying to bring the Eastern German

economy up to the comforts of the capitalist West. Like Mr. Bush, Mr. Kohl is hemmed in by huge federal deficits. He is considered indifferent to high unemployment or unable to restore competitiveness. Only Mr. Kohl's record of bouncing back from political pitfalls gives heart to his supporters. Most CDU politicians are preparing for the worst — not knowing precisely what is the worst.

For Germany's allies, there is at least some assurance in the emergence of a new Social Democratic candidate for chancellor, Rudolph Scharping, who is decidedly centrist in a party too often tilted left. Either he or Mr. Kohl, in some kind of combination or opposition, will be leading Germany at a moment when Europe is in flux. They need to make a success of it.

—The Baltimore Sun



China's Piecemeal Progress Needs Reinforcement

By Miron Mushkat

HONG KONG — China is widely seen as a model for successful transition from a centrally planned to a market-based economy. Piecemeal economic reform has become one of the best known Chinese exports. Many admirers of the concept contrast its effectiveness with the dismal record of Russia's more hurried approach. However, if China is to continue on the path of noninflationary economic growth, drastic action is needed to sustain the momentum.

Gradualism has been most obvious in Chinese cities and towns where the government has taken a step-by-step approach in reforming the industrial sector to reduce the risk of a major dislocation. Beijing maintains that the limited changes in the structure of industrial enterprises have raised productivity without destabilizing the urban economy. But the strategy of piecemeal reform is not the sole factor responsible for China's relative economic success. At critical turning points, the government has also been adept at identifying a "leading sector" to propel the economy forward. It initially focused on agriculture, then shifted attention to township and village enterprises.

The latter have been the most dynamic sector of the economy in recent years, helping to drive a broadly based expansion while at the same time serving as an effective shock absorber.

China's economic achievements are not the result of government initiative alone. The economy owes part of its robustness to investments of capital and know-how by Hong Kong and Taiwan entrepreneurs. As a trading partner, financier and

intermediary, Hong Kong has played a particularly important role in the modernization of China.

Even in the domestic arena, the Chinese government has not been the sole agent of change. Bottom-up or spontaneous reform, such as the growth of private banking, has been common in the last 15 years, often reinforcing the effects of the top-down effort. At times it has actually paved the way for government-inspired initiatives.

China's reformist record is far from uniformly impressive. Some poorly conceived institutional arrangements and unsound policies have hindered progress on the economic front. Examples include the sorry state of the banking system in general, the very limited autonomy granted to the People's Bank of China, and the propensity to keep real interest rates negative, thus overstimulating the appetite of enterprises for investment funds.

Fiscal machinery is also malfunctioning, with the central government completely at the mercy of local authorities. The failure of the former to collect its own revenues on a sufficiently large scale is mainly responsible for the massive gap between central government spending and income. As a result, more money is printed and inflation is pushed up.

A problem that has attracted less attention is the labor market. Obsolete practices, which are officially sanctioned, impede labor mobility and provide a disincentive to expansion of labor-intensive production needed to reduce a high rate of unemployment.

The economy is beset by rigidities and policy inertia. An autonomous banking system, promotion of private ownership of the means of production, a code of property rights, a comprehensive set of commercial and criminal laws, and an independent legal system to interpret and enforce the statutes are required to break through these barriers.

China has still managed to achieve solid economic growth. To a considerable extent this reflects the tremendous slack within the industrial sector at the start of the reform program. This enabled sensible halfway measures to produce substantial improvements in productivity.

However, there is a growing realization that such measures have outlived their usefulness. Recent official statements suggest that the Chinese leadership is willing to accelerate the pace of change sharply.

The challenge lies in applying the blueprint for deeper market reform, particularly the fiscal component, in the face of strong resistance from the provinces. They have been offered a carrot in the form of an early end to the austerity program launched last summer. For the time being, at least, the provinces appear willing to toe the line.

They are likely to flex their muscles again before long in an attempt to prevent an erosion of privileges associated with the status quo. It will be critically important for the central government to prevail in any such clash.

The writer, chief economist for Asia at Lehman Brothers in Hong Kong, contributed this comment to the International Herald Tribune.

Don't Trust the Reports of Supercharged Growth

By Christopher Lingle and Kurt Wickman

SINGAPORE — Figures abound which suggest that growth, after adjustment for inflation, has averaged from 8 to 12 percent in China in the past 15 years. In London, The Economist recently said that the Chinese economy grew at a real rate of some 13 percent in 1992, accelerating to 14 percent in the first half of 1993.

IMF numbers contained in World Economic Outlook (May 1993) imply that real economic growth during the 1980s and early 1990s averaged 10 percent annually. Many of the most bullish comments about China by international financial advisers, fund managers and stock market gurus have been based on such assessments.

But there is something odd about the supercharged figures. China is huge and economically diverse. Government policies have accentuated regional differences. Is it likely that such a large and disparate country should suddenly and for a long time grow at a rate double that of Japan during its high growth period? Is it likely that Chinese growth would far outpace that of the smaller and much more homogeneous "miracle economies" elsewhere in East Asia?

A closer look at available data reinforces skepticism. World Bank figures show the Chinese economy growing by about 1 percent a year from 1982 to 1987. That pattern is

confirmed by figures in the World Economic Outlook (1993) compiled by Euromonitor in London. China's annual real growth for 1989-1991 is reported in a more down-to-earth range of 1.7 to 4.8 percent.

The mystery thickens when one examines the IMF data base on China from its International Financial Statistics, published in November. The real growth estimates are quite high, yet are significantly lower than those published in the IMF's own May 1993 report. For several years they even move in different directions.

The IMF publication is obviously not using the IMF data base as a source, but some other data base. It is unclear which one and why.

So why are those supercharged growth statistics for China given so much credence? First, there might be confusion where nominal rather than real growth figures are reported. The Economist's report of 14 percent real growth for the first half of 1993 was made without reliable data on price changes. The most recent published price statistics, including the IMF update in October 1993, cover only the period up to 1991. Real growth forecasts for 1992-1993 are a shot in the dark, with preliminary estimates pointing to inflation rates of 20 to 25

percent. Such rates could even imply negative real growth for China.

A second possibility is that the experience of the booming southern and eastern provinces is extrapolated as the norm for all of China. While the coastal provinces are often referred to as the "tiger" of East Asia, they represent economic conditions very distinct from most of the mainland. They account for no more than 15 percent of the total population.

Thus, the often quoted reference to "12 billion Chinese consumers on the threshold of moderate wealth" should be scaled down to between 200 million and 300 million. The numbers are impressive, but they certainly fall short of a gigantic Chinese consumer market. To place this in perspective, anticipated rises in income for Indonesia will produce a similar number of new consumers.

A third possibility arises from the monetization of the Chinese economy. Growth estimates are exaggerated when previously unreported barter production is converted to monetary values. This is a classic problem with GNP estimates. But it becomes especially difficult in countries moving from self-sufficiency under communism toward a market economy.

A fourth possibility is that the very

high growth figures might have been conjured up by Chinese authorities to exaggerate their economic success and legitimize their continued political dominance.

The crude monetary system in China can be expected to go on generating boom-bust cycles in which efficient companies are prevented from getting credits to adjust their production while inefficient state firms are rescued and stocks are built up. Such a policy is not suited for long-term economic growth.

The recent retreat by the Chinese government from its earlier acceptance of reality, its position has weakened, relative to the high-growth provinces. Growth in China is extremely uneven. Inflation generated by the high-growth coastal provinces imposes uncompensated price rises on the underdeveloped hinterland provinces. Attempts by the poor and depressed majority to control and tax would be stubbornly resisted by the more prosperous coastal minority.

To avoid the high costs of investing in an unsustainable bubble, estimates of Chinese economic growth should be viewed with skepticism. West Germany has found to its great discomfort how wildly off were estimates of the value of productive assets in the former East Germany. As late as the mid-1980s, per capita income in the Soviet Union was said to be near that of Spain. We know now that this was far from accurate.

The uneven growth that has occurred in China since 1979 points to heightened regional tensions. When combined with other centrifugal forces in such an economically disparate country, these could lead to the breakup of the Chinese state.

The writers are senior fellows in European studies at the National University of Singapore. They contributed this comment to the International Herald Tribune.

New Assad? The Proof Is Awaited

By Daniel Pipes

PHILADELPHIA — After their marathon meeting in Geneva on Sunday, Bill Clinton was asked if he felt that Hafez Assad had made a firm commitment to normalize relations with Israel. Without hesitation, President Clinton replied, "The short answer is yes."

Well, maybe. President Assad's record suggests that it is wise to be skeptical about his intentions. As in the bad old days when he was a Soviet client, he still engages in aggressive activities, aimed mostly at Israel, Turkey, Lebanon and the United States. They include:

- Building up Syrian unconventional military capabilities. Damascus now has thousands of chemical warheads, appears to be on the verge of putting anthrax agents into weapons and is starting nuclear research. Its Scud-C missiles, from North Korea, can reach most of Israel's population.
- Getting more involved in the drug trade. Top officials participate in trafficking drugs to the West, according to a 1992 congressional report.
- Sponsoring Lebanese and Palestinian groups that attack Israelis, as well as Palestinians who favor Yasser Arafat, and sponsoring the Kurdish Workers Party (PKK), a Marxist group, in its assaults on Turkey.

So close is this bond that the Syrians have distributed counterfeit U.S. currency produced in Iran, according to a report by the House Republican Research Committee.

In short, Mr. Assad's policies have made Syria a rogue state along with Libya, Iraq and Iran. He represses his own people with a harshness second only to Saddam Hussein's.

But while Washington puts pressure on the other rogue states by working to isolate them, it woos Syria. Rather than isolating the regime, it has tried for years to bring Syria into the "family of nations."

American diplomats hold out small bait to encourage cooperation; last month, for example, Syria was allowed to acquire American-made jets. Secretaries of state and other dignitaries travel to Damascus, and now four U.S. presidents have met with Mr. Assad. American companies operate in Syria almost without restrictions.

Mr. Assad has avoided the harsh treatment dealt to Moscow's Gorbachev, Saddam Hussein and Iran's mullahs because he is smarter. He makes gestures at the right time and plays complicated double games. He keeps diplomatic links open and accommodates when necessary. For example, he has benefited simply by joining the peace process. This permitted him to divert Lebanon in 1991 without a peep from Washington.

A few months ago, when Turkey protested against Syrian support of Kurdish terrorism, the Syrians replied with seeming indignation: How can you raise such an issue while we're engaged in the peace process with Israel?

What if Mr. Assad, who said on Sunday that "in honor we shall make peace" with Israel, comes through? Then the Arab-Israeli conflict will be nearly over. While Israel will have to leave the Golan Heights, it will have an opportunity to establish stringent safeguards.

And if Mr. Assad's words in Geneva don't add up to much?

If Washington wants real improvements in Syrian behavior, it will have to stop coddling him and confront him with a stark choice: "You're either with us or against us."

Forced to choose sides, if he wholeheartedly travels the American route he would have to close down the anti-Jewish terrorist groups, kick out rejectionist Palestinians, disarm the fundamentalist groups in Lebanon, stop drug trafficking operations and end the military buildup.

If he went down the Iranian path, he would find himself on a collision course with America.

He would probably ask himself this question: Which route better assures me and my coreligionist Alawites of continuing to dominate Syrian politics? While the Iranian route would suit his temperament, the American route would hold out more promise.

The American policy of approaching Mr. Assad with great patience and gentle words has produced little more than agreeable promises. If it wants real change, Washington may have to adopt the sort of tough policy that this canny despot understands.

The writer, director of the Middle East Council, a research organization, and author of "Syria and the Damascus Courts of Law," contributed this comment to The New York Times.

A Good Man Who Shouldn't Be Lost

By Edwin M. Yoder Jr.

WASHINGTON — The New York Times headline chronicling the recent resignation of Warren Zimmermann from the U.S. Foreign Service after 30 years calls him a "Balkan expert." He is that.

Mr. Zimmermann, one of the few U.S. diplomatic professionals left in Serbo-Croatia, was the last American ambassador to Yugoslavia. He was recalled to Washington when the "ethnic cleansing" by the Bosnian Serb roughnecks became too crude to countenance.

If his advice had been more carefully followed in Washington and Belgrade, the worst of the Yugoslav tragedy might have been avoided. Since his modest rivals his extraordinary abilities, he would never make that claim. But I know something about his largely unheralded efforts to avert the catastrophe.

In March 1990, his embassy co-sponsored a conference on "Federalism and pluralism." His idea was to bring together Americans and Yugoslavs to see if useful ideas and examples for post-Communist Yugoslavia might be found in the American experience. Like the rivalrous principalities of Yugoslavia, the United States had had its own ordeal with separatism.

The effort failed, for the secessionist fever was already raging. When that fever intensified, Mr. Zimmermann tried, within the limits of diplomacy, to restrain it — and especially to dissuade the major European powers from an over-hasty endorsement. That also failed.

Germany led the way in recognizing the Croatian secession. There was a facile tendency at the time to identify secessionism in Croatia and Slovenia with the liberation movements elsewhere in Europe that followed the collapse of the Berlin Wall.

Strangely, Mr. Zimmermann soon found himself pilloried in the Serbian nationalist press for alleged secret sympathies with the secessionist movement he had sought to avert. "Herr Zimmermann," he was called — a nasty insinuation of German sympathies, since Croatia had been a Nazi puppet state during World War II.

I relate these facts to amplify the record, since my old friend Mr. Zimmermann, a professional to the fingertips, is wholly incapable of trying to impart self-serving spins to what is now bitter history.

I also write to register my personal dismay that the United States is forfeiting the services of this diligent and talented public servant not only because he is distressed by inaction in Bosnia (he and I do not agree about that), but because he was on the verge of being shelved in a shabby affirmative action maneuver at the State Department.

Mr. Zimmermann has been managing the department's refugee affairs since his return from Belgrade. Elaine Sciolino reports in The New York Times, accurately, that despite the department's recommen-

dation that he be given the permanent appointment, "White House officials, with the concurrence of Richard M. Moose, the undersecretary of state for management, have insisted that the new job be given to a woman or a nonwhite male." Never mind that this alternative appointee has yet to be identified.

None other than Mr. Zimmermann's sponsor for appointment to the assistant secretaryship for refugee affairs, Secretary of State Warren Christopher, boasted that the Clinton administration would "look like America," meaning look diverse. As a goal, that may be admirable, as a dogma leading to the casual discarding of highly qualified career officials because they are unfashionably white and male, it is not far short of lunatic.

When Mr. Zimmermann and I first met in England in the mid-1950s, we learned something interesting that is relevant in this context. The highest ambition of the best and brightest students at Oxford and Cambridge was public service. That is one reason Britain's foreign and civil service set a world standard for professionalism.

The same can be said of many in the U.S. Foreign Service. But public service is not a habit in America. The Volcker commission recently discovered that 90 percent of the country's best college graduates never consider a public service career. The disgraceful spectacle of Warren Zimmermann's fate helps explain why.

Washington Post Writers Group.

1894: Big Man in Cattle

PARIS — M. Malus, a cattle broker, is the victim whose wrongs need attending to. This gentleman, it is said, is one of the heaviest men in the cattle trade. So ponderous is he that he had to have a cart built specially for him to make his rounds in. Worn out from drawing him the horse dropped from exhaustion at Vincennes and yesterday [Jan. 18] M. Malus had to prepare to return to his home by train. When he tried to get through the door he stuck halfway and could neither proceed nor retreat.

1919: A War Inquest

WASHINGTON — The first move toward a sweeping investigation of the War Department took place today [Jan. 17] when Mr. Campbell, Republican, Kansas, introduced a resolution in the House requiring that the House be informed of the reason for the excessive casualties of the Thirty-fifth Division in the Argonne

Forest. The resolution was referred to the rules committee where Representative Campbell intends to have it broadened to include an inquiry into all alleged abuses which have been the subject of recent criticism.

1944: Churchill Returns

LONDON — [From our New York edition:] Prime Minister Churchill returned to London from North Africa today [Jan. 18] after a nine weeks' absence and within a little more than an hour after stepping from his special train he was taking the House of Commons, in reply to members who asked eagerly if he would delegate more work to spare his health, that he had "no changes to propose at present" in his routine. He said he would like to make a statement on the situation in all war theaters, but appealed for "more latitude about the actual date." It was learned this evening that Mr. Churchill will not make his statement on the war situation until next month.



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OPINION

Replace the Nuclear Umbrella

WASHINGTON — Just as the recent NATO summit meeting was a reminder that the world faces a future in which the United States has become the sole global power, it likewise signals that it is time to re-examine the role and place of strategic nuclear weapons in American security policy.

With the dissolution of the Soviet Union and the division of its nuclear forces, the concerns of U.S. strategic planning have shifted from a single nuclear threat to a complex international situation from Iraq to Ukraine to North Ko-

By Paul H. Nitze

upon to deter him from using them.

After all, Saddam chose to start a nuclear weapons program in the face of the overwhelming nuclear power of the states arrayed against him, including the Israelis he sought to provoke. There was no logical reason for Iraq to build a nuclear weapon outside of this threat of irresponsible behavior: the looming threat of a wild-card, regional nuclear power. To my mind, Saddam's decision to embark on a nuclear program itself shows that there was no nuclear deterrent at play in Iraq's evaluation of the strategic situation in the Gulf.

After the Gulf War, as its lessons are digested by all nations, one message is loud and clear: The United States, when provoked, can and will use strategic conventional weapons against whatever targets it considers appropriate.

Understanding this lesson may offer us a way to create the first credible and therefore useful strategic deterrent we have seen since the early days of the nuclear era. It may be that conventional strategic weapons will one day perform their primary mission of deterrence in a way that is more practical and more effective than nuclear weapons if only because we can — and will — use them.

It is vitally important that we understand the effectiveness and limitations of strategic conventional weapons. Unfortunately, much public and professional discussion has been superficial. Yet it is a highly encouraging development for America that, for the first time, it might reasonably contemplate making nuclear weapons largely obsolete for the most practical and fundamental strategic missions.

The U.S. government should consciously decide to pursue the conversion of its strategic deterrent from nuclear to conventional weapons; and to begin now to decide not whether, but in what manner, this conversion will take place.

But first, the truth about smart weapons must be established. Even though advanced conventional weapons appear to have performed well in combat, we must be careful as we evaluate how good a model the Gulf War provided for understanding the future utility of such weapons as a deterrent.

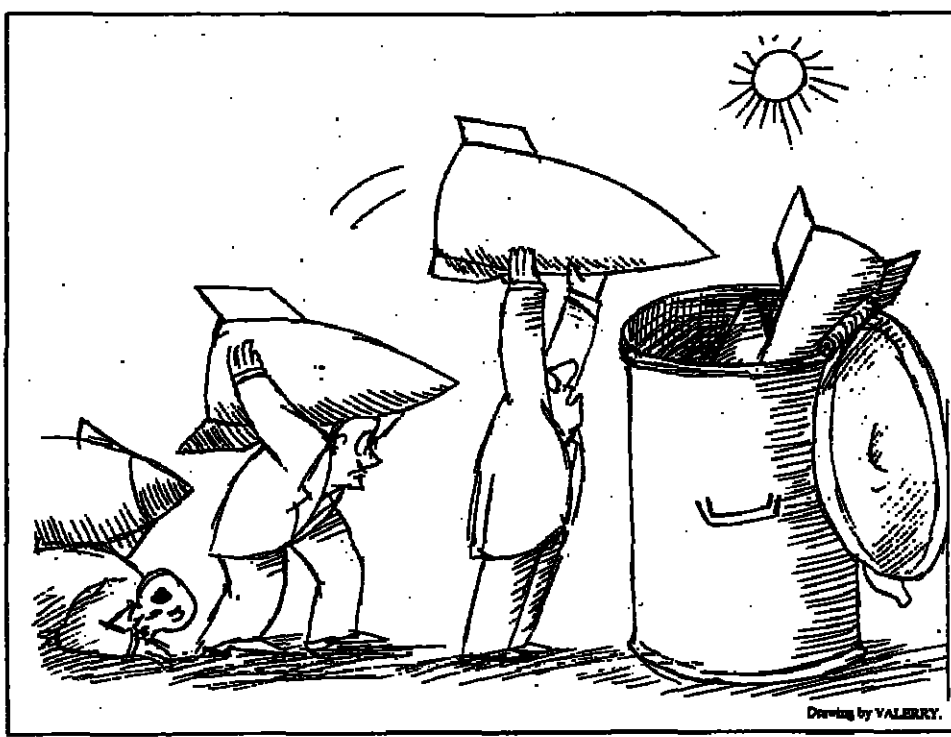
To much of the world viewing the Gulf War on television, smart weapons appeared a miracle weapon, capable of doing the job with little loss of military personnel and limited civilian losses. But this may be an unreasonable perception at the current stage of strategic conventional weapons development.

The lessons of the military utility of nuclear weapons must also be re-examined and frankly acknowledged. We will never be certain what has deterred the use of nuclear weapons since 1945. We can speculate that the strategic nuclear arsenal in their morbid way did stave off the use of these weapons, that mutually assured destruction may have prevented the use of nuclear weapons against other nuclear powers. But in truth, using nuclear weapons has never entirely been ruled out, and much of the debate of operational nuclear strategy during the Cold War reflected this reality.

What inhibited the American use of nuclear weapons was clearly sensitivity to the implications of the destructiveness of such weapons. And however much U.S. military doctrine asserted otherwise, their use was never an easy option to the United States, and some troublesome governments have known this and exploited it as a weakness in U.S. military posture.

While the McNamara-era decision to move toward flexible response certainly led to a more credible U.S. military presence and deterrence for some situations, it did not improve the strategic deterrent. The United States was left with an enormous investment in a nuclear arsenal of limited use except in possibly deterring a nuclear attack by the Soviet Union directly against the United States. It was a one-use strategic deterrent.

Developing true strategic conventional weapons offers a flexible



Trying to Make Sense Of the Member Mania

By Joann Byrd

WASHINGTON — Fast-forward to the far-far-distant future. Archaeologists are digging up this civilization.

The team charged with looking at newspapers and television, film and radio tapes begins its report.

"The word 'penis' first appeared in American media on

MEANWHILE

June 24, 1993. By actual count, the word and its assorted (usually, we must say, infantile) euphemisms appeared 47,896,451 times in the seven months following the breach of that taste barrier.

"(See 'First Publication of Word Condom,' 1996. Note absence of discussion of newspapers' long-standing, routine references to parts of female anatomy — i.e., vagina and breast.)

"This development coincided with the peculiar penchant of news media in the last decades of the 20th century to engage in what was then known as a 'feeding frenzy.'

"The result was that the media went berserk over one particularly notorious penis, that belonging to a man named Bobbitt. Even newspapers that usually favored important national issues put this page on their front pages. This provided journalistic cover for less serious media to exploit the most salacious elements of the story.

"We are at a loss to explain why the media became obsessed with this story."

Note to archaeologists: Take your pick from the following:

• There is the significance explanation: The sad marriage of John and Lorena Bobbitt was the 1993 exemplar of ancient and abiding gender wars and an available illustration of what must be a

multitude of private horrors normally hidden from public view.

• Or the primal justification: It was news because so many men identified so intensely with the possibility of a penis being severed. And so many women, especially those who have been raped and battered, readily saw their own fantasies of retribution carried out. The story struck readers and viewers (and journalists) in instant and visceral ways.

• And what follows from that, the male editor theory: This media spectacle was generated by and focused on the penis-cutting and not on the rape that Lorena Bobbitt says brought her to take up the knife (and which a jury said prosecutors did not prove). People making the biggest news judgments are usually men.

• The man-bites-dog rationale: According to the prevailing assumption, women are only the victims, never the perpetrators, of domestic violence.

• The deeper-than-it-looks reasoning: This story was the morality narrative of two wrongs. And the tale of blameworthy victims. And a classic about the struggle for power. It involves readers in ambivalence and thought and debate.

• The everybody-is-talking-about-it excuse: Well, anyway, a lot of people were.

• And finally, you've got the speculation of people who find the media circus disgusting. Some respectable people love to hate every word of such junk. This was an inherently sensational story. And if it was legitimately about brutality, it was saturated with sex.

Maybe all those explanations were at work in the world's media.

The Washington Post's readers, for example, got straight-faced, sober police and trial and medical reporting. And attempts to find some broader meaning (with varying success) in the events and the public reaction to them. But readers also got snickers and puns and innuendo and one-liners that once would have gotten an adolescent's mouth washed out.

In 58 stories about the Bobbitts and 40 other references to the case, The Post covered all possibilities from cautious documentation to ribald amusement. And so did the other media. Does that mean that there was no one reason for the frenzy, but every reason for it?

P.S. to archaeologists: If this media circus is still going on in your century, I suggest that you call in your genetic engineers. Maybe they can end all of it by identifying and then eliminating the gene for voyeurism.

The Washington Post.

LETTERS TO THE EDITOR

A Limited Partnership

Regarding "A U.S. Foreign Policy Named Boris Yeltsin" (Opinion, Jan. 4):

William Pfaff has correctly analyzed arguments about the North Atlantic Treaty Organization and the countries of Central and Eastern Europe. What these countries wanted was a guarantee of security. What they received was far less.

The U.S.-inspired Partnership for Peace plan is a concession to President Boris Yeltsin's objections, reflecting the fear that treating countries like Poland as allies will strengthen Communist-nationalist opposition to Mr. Yeltsin's promised reforms.

But what guarantee is there that American diplomatic engineering will actually help produce a truly democratic Russia? And since when has appeasement successfully tranquilized the people we fear? Is it not likely, on the contrary, that Russian nationalists will draw encouragement from the fact that the West seems to have recognized their importance?

The countries of Central and Eastern Europe, meanwhile, are left indefinitely in a limbo of insecurity. The immediate interests of the West's natural allies are being ignored for the sake of the still doubtful prospect of Russia's conversion to Western ways.

The Polish ambassador in Brussels put it succinctly and with pathos: "We have no allies."

KEVIN RUANE,
Verrier, Switzerland.

A European War

Regarding "Let Europe See to Bosnia" (Letters, Jan. 11):

I agree 100 percent with Gerald R. Hastings. Why must the people of North America be asked for more and more blood and treasure to fight a war over and over again? Europe's wars, which have been caused by what might best be described as the bankruptcy of European politics?

GEORGE KYLE,
Nico.

Checked History

Regarding "Croatia and Its Symbols" (Letters, Dec. 7) from Tajana Thaler Forner:

Notwithstanding the centuries-long history of Croatia's checkerboard coat of arms, it was last widely displayed during World War II by the Nazi-backed Ustashi regime. To the survivors of the Ustashi genocide of Serbs and Jews, the emblem is comparable to the Nazi swastika.

GEORGE TINTOR,
London.

Standing Up to Serbs

From the start of the Bosnian war, it has been a win-win situation for the Serbs, since the Western community never even discussed whether the Serbs should return all of the territories conquered, but only how much they could keep.

Both the Croats and the Muslims lose under current proposals. The Muslims seem to have more

stomach for fighting on, while the Croatian government is always looking for compromises. As a Croat, I envy the Bosnian people their leadership, which is not afraid to fight even against overwhelming odds, especially since the Bosnians have to fight both Croats and Serbs.

Although Croatia has created for itself an additional enemy in Bosnia (the Muslims), only Croats and the Muslims united have a chance to stand up to the Serbians' dreams of expansion at the expense of other ex-Yugoslav people.

STEPHAN BALOG,
Warren, Michigan.

The Poverty Industry

Regarding "A Success in Helping the Poor" (Opinion, Dec. 21) by Jessica Mathews:

As a technical adviser living in Bangladesh, I know the Grameen Bank is indeed a huge success in helping the poor. This leads to a question: Why does Bangladesh not publicize this success story? Bangladesh sells its poverty for the same reason that Saudi Arabia sells its oil. They have a lot of it. In the international market, poverty is not usually thought to have value, yet

Letters intended for publication should be addressed to "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Western Germany's current recession has exposed the economy's structural weaknesses. High labor costs and taxes, as well as overregulated labor and product markets, are often pinpointed as the key problems. Breakthroughs are clearly needed in these areas in order to improve the growth of potential output and reduce unemployment.

The impression is sometimes created that the German economy is heading for protracted stagnation unless these problems are tackled. But there are good reasons to believe that the decline in industrial production or GDP and the subsequent fall in employment and business investment in 1992-93 can largely be attributed to cyclical forces.

Heavy burden on private sector

The downturn was triggered by the sustained fall in foreign demand and the clash between wage policy and monetary policy in 1991-92, which resulted in a sharp profit squeeze and a scaling-down of investment plans. In addition, the government's policy since 1991 of raising taxes and social security contributions plays an important role. This year alone, the burden on the private sector will be roughly DM 40 billion heavier. And in 1995 the solidarity surcharge will be reintroduced (DM 28 billion). This is definitely a structural impediment to growth but the only new one to have arisen in recent years.

Fiscal consolidation, a further decline in employment and wage increases below the expected inflation rate will contribute to a further fall in real private consumption. It is highly uncertain how

"Economic recovery will be led by business investment and an export revival."

far private households will continue to maintain their living standards by saving less. A recovery will therefore have to be led by business investment and exports, with residential construction continuing to be a stabilizing factor.

Business investment fell sharply in 1993 but its share in GDP was still higher than in the 1981/82 recession and even higher than during the early phase of the previous upswing. Low interest rates and wage increases, as well as extensive cost-cutting and rationalization measures, provide a basis for a rebound in investment activity.

Whether exports pick up, however, will depend on the timing of the recovery in other parts of Western Europe. Furthermore, it is uncertain how strongly the very uneven appreciation of the D-mark vis-à-vis other European currencies will reduce demand for German products.

Export expectations as well as incoming foreign orders suggest that an export revival is just round the corner. The more the recovery worldwide is driven by business investment — as is currently the case in the U.S. — the more German producers will benefit.

Whereas the debate on the timing and the sources of the recovery is reasonable,

The Commerzbank report on German business and finance

Germany's economic woes will abate only slightly in 1994

great precision about numbers is not. Due to separate national accounts for eastern and western Germany and changes in the measurement of intra-EC trade, the margin of error for real GDP is now more than one percentage point in either direction. The best current estimate is a growth rate for western Germany close to zero on average in 1994, and a somewhat better performance in a year-end comparison. The risks may be compounded by the large number of elections which Germany faces this year; on the positive side, the eastern German economy could well be more buoyant.

No matter what the exact outcome for growth is in 1994, the situation in the

Outlook for the German economy

At 1991 prices, percentage change in real gross domestic product (GDP) by region, percentage change on year

	1993	1994	1995	1996
Western Germany	-0.2	0.1	0.1	0.1
Eastern Germany	-1.0	0.0	0.1	0.1
Germany (incl. East)	-0.5	0.0	0.1	0.1
Exports	0.0	0.0	0.0	0.0
Imports	-0.2	-0.2	-0.2	-0.2
Investment	-0.2	-0.2	-0.2	-0.2
Consumption	-0.2	-0.2	-0.2	-0.2
Government	-0.2	-0.2	-0.2	-0.2
Private	-0.2	-0.2	-0.2	-0.2
Public	-0.2	-0.2	-0.2	-0.2

Source: Ifo

labor market will deteriorate further. This pressing economic problem calls for sweeping changes in government policies, but above all in the agreements reached between employers and unions. Some progress is already evident here — the first step towards a better future.

COMMERZBANK
German know-how in global finance

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CHAINED TOGETHER: Mandela, de Klerk and the Struggle to Remake South Africa

By David Ottaway. 291 pages. \$25. Times Books.

Reviewed by Mark Mathabane

IN April South Africa, armed with a new nonracial and non-sectarian constitution, will rendezvous with its political destiny when elections are held ushering in black majority rule, ending more than 300 years of white domination and oppression. The two leaders who launched this historic process are the subject of a luminous and absorbing book, "Chained Together:

Mandela, de Klerk, and the Struggle to Remake South Africa."

With a keen eye for telling subtleties, David Ottaway, a Washington Post correspondent, analyzes the dramatic events and constellation of players surrounding South Africa's roller-coaster ride to democracy, which began with Nelson Mandela, the imprisoned African National Congress leader, holding secret talks with his captors, among them President de Klerk. The talks laid the groundwork for Mandela's release and for negotiations between the apartheid regime and its foes. Mandela, impressed by de Klerk, characterized him as "a man of integrity" blacks could trust and do business with.

Euphoric outlooks started describing the two leaders in terms

redolent with hope for the future: statesmen, allies, co-conspirators, visionaries. Yet Mandela and de Klerk quickly degenerated into politicians and partisans. They bickered over the causes of and responses to black violence, they reneged on important promises. They spent more time catering to the parochial interests of their respective groups than heading a divided nation menaced by civil war.

At times their feuding made a mockery of the various peace awards the world community was bestowing on them, including the 1993 Nobel Peace Prize. Yet, they continued negotiating, aware that despite their mutual animus and distrust, they needed each other for political survival and to prevent the country from exploding.

Was the relationship between Mandela and de Klerk doomed by the forces they had unleashed but could not control, or is South Africa's chaos and bloodletting partly of their making?

For answers Ottaway scrutinizes the personal and political histories of the two leaders. He probes their respective origins, their rise to power, their styles of leadership, the nature of the parties they lead, their mistakes, the pressure they came under, the squandered opportunities. We see in Mandela, "The Revolutionary Chief," and de Klerk, "The Calvinist Reformer," two strong-willed yet pragmatic men, at once autocratic and democratic, more adored abroad than at home, beholden to their respective power bases and professing party loyalty and yet with a penchant for reaching momentous decisions on their own.

Around de Klerk and Mandela is a gallery of participants in South Africa's unfolding drama. The Zulu leader Mangosuthu Buthe, Mandela's main rival for black votes if he participates in elections, champions a capitalist and decentralized government while exploiting tribalism to hold on to his fiefdom. Black radicals, with their slogan of "one bullet, one settler," want immediate and total white surrender. Neofascist clamor for a whites-only homeland. Diehard Marxists within the South African Communist Party cling to communism despite its demise worldwide, and see an ANC victory as prelude to a socialist revolution. Various homeland leaders, drunk with corruption and despotic power, oppose the reincorporation of their archipelagos of misery and poverty into a unified South Africa.

Mark Mathabane, author of "Kaffir Boy," wrote this for The Washington Post.

BEST SELLERS

The New York Times
This list is based on reports from more than 1,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

THE WEEK

LAST WEEK

ON THE LIST

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2 SLOW WALTZ IN CEDAR BEND, by Robert James Waller 1 11

3 NIGHTMARES & DREAMS: CAPES, by Stephen King 3 14

4 THE CLIENT, by John Grisham 5 44

5 WITHOUT REMORSE, by Tom Clancy 6 40

6 LIKE WATER FOR CHOCOLATE, by Laura Esquivel 6 40

7 THE HOPE, by Herman Wouk 6 40

8 LASHER, by Anne Rice 7 16

9 THE BOOK OF GUYS, by Garrison Keillor 8 5

10 MR. MURDER, by Dean Koontz 9 10

11 A DANGEROUS FOR TUNE, by Ken Follet 11 12

12 THE TRUCE AT BAKURA, by Kathy Tyron 15 7

13 THE ROBBER, by Margaret Atwood 6 6

14 THE GOLDEN MEAN, by Nick Bantock 16 16

15 SILENT SENSE OF SNOW, by Peter Hoeg 4 4

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4 EMBRACED BY THE LIGHT, by Betty J. Eadie 9 36

5 THE HIDDEN LIFE OF DOGS, by Elizabeth Marshall Smith 4 21

6 SENSLANGUAGE, by Jerry Seinfeld 3 19

7 WOULD'NT TAKE NOTHING FOR MY JOURNEY, by Maya Angelou 5 15

8 SAYING OUR SAY, by Sarah and A. Elizabeth Delany 4 7

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15 FLY FISHING THROUGH THE MIDDLE CRISIS, by Howell Raines 1 1

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3 MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray 4 34

4 AND IF YOU PLAY GOLF, YOU'RE MY FRIEND, by Harvey Penick with Bud Shrake 2 9

AFTERSHOCK / THE MOUNTING TOLL

Economists Fear Long-Term Effects

Catastrophe May Diminish Lure of Southern California

By John M. Berry

Washington Post Service

While experts estimate that public and private property losses from the earthquake will exceed \$7 billion, they say that the long-term economic damage could be even worse.

The Southern California economy has suffered a series of recent shocks — fires, mud slides, riots, falling real estate values and a devastating decline in its defense industries — that pushed unemployment into double digits and undermined confidence among consumers and business executives that the area could return to boom times.

Spending to clean up and repair the quake's damage, including likely federal government assistance, should give the recession-plagued economy a boost.

The question is whether that spending will be enough to offset the economic impact of the quake's psychological trauma on the region's residents. Some officials and analysts expressed fear that the earthquake may be the sort of straw-that-broke-the-camel's-back event that convinces many already-skeptical people that Southern California is simply not a place in which to live or do business.

"My heart is sinking," said Senator Barbara Boxer, a Democrat, in a television interview. "We had just turned a corner in California, with riots and fires and everything that has occurred in these past few years, so it is very disheartening."

A major concern among business thinking of relocating to

other areas has been the region's severe congestion, with employees spending hours commuting on the network of freeways that are its transportation lifelines. Damage to several freeways, including the Santa Monica Freeway that carries traffic west from central Los Angeles, will mean even worse traffic jams on alternative routes for many weeks to come.

Damage Estimates Rising
U.S. insurance industry officials said Tuesday that the property damage caused by the quake would far exceed the \$7 billion caused in the 1989 San Francisco quake, news agencies reported.

But American insurance companies expect to come through the Los Angeles quake in good shape because buying earthquake insurance is so expensive.

This means that many people forgo the insurance. Of the \$7 billion in damage caused by the 1989 tremor in San Francisco, only \$360 million was covered by insurance.

Major insurers include State Farm, the largest insurer in California; Farmers, a subsidiary of the British company BAT, and Fireman's Fund, a subsidiary of the German insurer Allianz.

Lloyd's of London, the world's largest insurance market, said the earthquake could cost insurers as much as \$6 billion, a spokesman said Tuesday.

But initial estimates of insured losses by other industry analysts, including Munich Re, the world's largest reinsurance company, were around \$1 billion. (AP, Reuters)

Picking Up the Pieces at the Epicenter

By Alan C. Miller

and Leslie Berger

Los Angeles Times Service

LOS ANGELES — Portions of the mall collapsed. The roof on the university's library caved in. Smoke billowed from buildings and streets as residents of Northridge, the epicenter of Monday's earthquake, took to their roofs with hoses to fight back flames.

Northridge, a suburb 20 miles (30 kilometers) northwest of downtown Los Angeles, was the scene of almost half of the fatalities, several miracle rescues, and in general, wholesale devastation.

Nowhere was the toll of the tremor more evident than at the Northridge Meadow apartments, where a three-story apartment building lurched six feet (about 2 meters) to one side before collapsing into its first floor. At least 16 people died, and others were trapped for hours.

But the disaster also wreaked havoc on California State University-Northridge, the Northridge Fashion Center and many residential streets in the suburb, which has a population of 65,000.

"It used to be good here," said Joseph Monjin, a Northridge resident. "I think it's still going to be good. But let's wait and see if we're done."

After a series of aftershocks over the following 24 hours, he said, "We're not done yet."

At Cal State-Northridge, fires erupted in chemical-laden science buildings, a four-level parking garage collapsed and chunks of the library roof fell off.

A damage estimate was not expected until later, but the library is a prized facility, housing a \$2 million robotic retrieval system — dubbed Leviathan II — and is considered the world's first fully automated library.

No dollar estimates could be placed on the fear emanating from the sprawling campus as black smoke rose Monday from multiple blazes in three science buildings where hazardous and low-level radioactive materials are stored. The blazes were spread when explosions blew out windows.

University officials sealed off the area temporarily, fearful that hazardous substances might be released into the air. In one of the few pieces of good news, fire officials managed to contain the flames before they reached the radioactive substances.

A load of sulfuric acid spilled, however, when the quake jolted four locomotives and 24 cars of a freight train off its tracks south of the Northridge Fashion Center, prompting an emergency cleanup effort.

And on a Northridge street, an oil line exploded, the resulting fire burning rows of parked cars.



A National Guardsman and rescue workers outside a Northridge apartment building that collapsed, killing 16 people there.

For Many Japanese, Worried Fascination

Baghdad Sees 'God's Wrath'

Compiled by Our Staff From Dispatches

TOKYO — Japanese stayed glued to their television screens overnight, watching pictures of the Los Angeles earthquake and knowing that the scenes of devastation could be duplicated on Japanese soil at any time.

Like Los Angeles, the heavily populated Tokyo region is a seismic high danger zone where, scientists say, a huge quake is likely sooner rather than later.

Japan planned to offer some sort of relief assistance to victims of the latest Los Angeles, Tokyo's chief spokesman said Tuesday.

Despite Japan's huge seismological resources, no one can say when a major jolt might come. "With the technology we have today, it is impossible to predict when and where a major earthquake could occur," Hiroshi Arima, of the Central Meteorological Agency, said Tuesday.

"We have constantly been striving to improve our prediction ability," said Shigeo Mori, of the meteorological agency. "But this Los Angeles earthquake has certainly prompted us to think more about the need for sophisticated prediction technology."

Japan has about 170 seismographs across the country. They detect movements in the Earth's

crust and feed data to a central computer in Tokyo, Mr. Mori said.

Other countries that responded to the deadly earthquake included Russia and Germany. In Moscow, President Boris N. Yeltsin sent a message of condolences through President Bill Clinton to the families of those killed.

Mr. Yeltsin said he was certain that Americans' native determination and toughness would enable them to recover quickly from the disaster.

In Berlin, Mayor Eberhard Diepgen, saying the German capital could never forget U.S. support for Berlin during the Cold War, said Tuesday that the city was collecting donations for victims of the earthquake.

But in Baghdad, an official newspaper called the earthquake the "wrath of God" and "the curse of the Iraqis" against the United States for the Gulf War, which began just three years ago.

Adding to the denunciation by Babed, a newspaper run by the president's son, Uday Hussein, a television channel also owned by the "son of Saddam," Saddam Hussein, said it was "God's fury at America" for the Gulf War, begun Jan. 17, 1991. (Reuters, AP)

Friendly Computer Users Go On-Line With Help

New York Times Service

NEW YORK — Within minutes after the San Fernando Valley was rocked by an earthquake Monday morning, the nationwide web of computer networks was abuzz with messages to and from people touched by the shock.

Hundreds of computer users turned to electronic mail when they were unable to make long-distance telephone calls into and out of the earthquake area. People in the area discovered they could dial local telephone numbers that gave them access to electronic mail networks unaffected by the quake.

They used the networks to ask strangers around the country to relay messages by telephone to friends and relatives. Hundreds of computer users had posted messages on the networks offering to relay messages.

Robert Davidson, who signed his message "Desperate in New Jersey," sent out a plea over the Prodigy network at 11:34 A.M. eastern standard time, asking: "If you have any information about conditions in Northridge, the epicenter of the quake, please write back. We cannot reach our relatives there and are extremely worried about them. They live on Olympia Road."

Just three minutes later, he received a reassuring response over the network from Eric Rademacher.

"My aunt and uncle in Northridge report a lot of glass breakage etc. in the house but no real structural damage visible in the neighborhood," Mr. Rademacher said.

A spokesman for the Prodigy network said that more than 4,000 messages had been exchanged by mid-afternoon after it established a special earthquake forum for the messages.

QUAKE: Violent Aftershocks Hit Los Angeles as Search for Survivors Goes On, Damage Exceeds \$7 Billion

Continued from Page 1

for the area's 9 million residents was likely to be disrupted for up to a year or more.

With nearly 3 million vehicles using more than 600 miles (970 kilometers) of freeway in Los Angeles during the evening rush hour, the city's residents are extraordinarily dependent on main highway arteries.

The city's new subway line, the Metro Red Line, which opened last January, is expected to offer little help. It runs through about four miles of downtown Los Angeles, from Union Station to MacArthur Park.

The area's Metrolink commuter

trains operated on Tuesday, although some stations and stretches of track that were damaged were closed.

The freeways alone could cost hundreds of millions of dollars to rebuild. And Governor Pete Wilson said it could take a year to repair some vital roads.

"You don't want to rush and risk it falling again," he said.

Bill Iwan, chairman of the state Seismic and Geologic Commission, said the damage was disturbingly similar to that caused by the 1971 quake, despite new earthquake standards and the reinforcement of highway bridges.

For the most part, the region was

peaceful overnight Monday as residents remained calm even as aftershocks reverberated.

The police enforced a dusk-to-dawn curfew and arrested 73 people for "quake related incidents," including breaking the curfew and looting. To help keep the peace, 1,500 members of the National Guard were activated.

More than 200 people remained hospitalized. At most hospitals, emergency workers and officials said the vast majority of injuries were caused when people tried to get out of their homes.

Serious water damage, gas leaks and power outages forced the 377-bed Olive View Medical Center to

evacuate all its patients to other hospitals and clinics.

The hospital was rebuilt, supposedly to withstand earthquakes, on the site of a hospital that was destroyed in the 1971 earthquake.

More than a hundred fires broke out after the tremor, destroying businesses and leaving more than 15,000 people homeless.

The U.S. secretary of housing and urban development, Henry G. Cisneros, and the transportation secretary, Federico F. Peña, arrived in Los Angeles offering federal financial aid.

President Bill Clinton declared Southern California a disaster area

on Monday, paving the way for federal aid.

"There will be federal aid of different kinds," Governor Wilson said. He said federal aid could possibly exceed \$100 million.

Mr. Wilson conceded that the federal funds would provide a shot in the arm for Southern California's depressed economy.

"It's a hell of a way to do it," he added.

Many residents were too frightened to return home and flocked to tent cities in fields and parks. People huddled in chilly temperatures in sleeping bags and tried to stay calm by playing cards, listening to music and even barbecuing

meals. Some took refuge in automobiles.

The authorities set up dozens of shelters for people left homeless, while the Red Cross appealed for donations.

Scientists from the California Institute of Technology said the earthquake occurred on the Oak Ridge fault, an east-west line running from the San Fernando Valley to the Pacific Ocean. It has not been active for 200 years, they said.

Lucy Jones, a scientist at the institute, reported 88 aftershocks with a magnitude of 3.0 or greater and said there was a "50-50 chance" that another aftershock of 5.0 or greater would be felt within days.

(Reuters, AP, AFP)

GROWTH: U.S. Locomotive Loses Some Steam, but It's Still Out Front

Continued from Page 1

nomic axis run East-West from New York to London to Frankfurt to Tokyo. Another emerging axis runs in a direction that used to be called North-South, to the most dynamic part of the world in East Asia including China, through Latin America, and on to the countries of Eastern Europe, including Russia, which are struggling to integrate themselves into the Western market system.

These structural shifts, said Neal Soss of the investment bank CS First Boston, mean that even the advanced economies adjusting to the transition need more spending stimulus to turn around — more than the debt-laden governments of the industrial nations are willing to lay out.

"Workers are off balance because of the changes to their world, and they need more time and more security before they spend more," he said. "And in places like Malaysia, Taiwan, and even China, hundreds of millions of workers are entering the world economic system as producers and not consumers. These countries can be locomotives only to the degree that they are willing to run trade deficits — and they're not."

In contrast to the borrow-and-spend devel-

opment model of the 1970s, the emerging nations of Asia and Latin America are financing growth from their own savings or private investment from the industrialized nations, then running trade surpluses with them and using the money to import capital goods. But they are not importing as many consumer goods, which in any case they now can make more cheaply than their advanced competitors.

This puts the U.S. economy on the inside track to export capital goods for the emerging countries' infrastructure in industries where it has always been a leader — computerized telephone switching gear, aircraft or earth-moving machinery, for example. The market is less certain for a variety of goods that would flow from a generalized wave of prosperity.

Hence the emergence of the Clinton administration's distinctive U.S. trade policy, a kind of modified mercantilism that seeks to open markets where America has a comparative advantage, whether in Hollywood movies or McDonald's hamburgers, rather than a general policy of free trade pursued for its own sake and that of worldwide expansion.

In that sense, U.S. trade policy has moved closer to most other countries. For a Democratic administration, however, it still poses a di-

lemma because many of the blue-collar jobs that the Democrats' traditional constituencies thought were their birthright are no longer found in Detroit but in manufacturing plants of China or Mexico.

The principal risk to what economists call the consensus forecast is government policy toward this fundamental change and the uncertain business reactions to it — which never show up in the numbers that get factored into economists' forecasting equations. Mr. Giordano feels that if anything, the risk to his steady forecast lies on the upside: "The animal spirits of business could be unleashed after being bottled up for so long."

If that happens, warned Victor Zarnowitz of the University of Chicago, chairman of the committee that dates American recessions, an overreliance on government could start the Federal Reserve worrying seriously enough about a new round of inflation to knock the recovery on the head.

"If each of the big economies gets its own macro policy right and plays by the rules, that's the best anyone can do to restart the world economy," said Paul Krugman of the Massachusetts Institute of Technology. "Curing the recession in Europe and Japan is not up to us."

JAPAN: Tokyo Is Opening Bids on Public Works to Foreign Companies

Continued from Page 1
true to form by opening the market only after extensive *gaishu*, or foreign pressure.

"We did this on our own," he said. He noted that over the past year and a half or so, repeated bid-rigging and bribery scandals have aroused considerable political support within Japan for overhauling the existing, corruption-prone system.

Under the current system, only contractors that are designated by the government may bid on public works projects. The Construction

Ministry and contractors have asserted that the system is designed to assure high-quality construction.

But critics contend that the system encourages companies to bribe politicians so that they will be included among the designated bidders. Moreover, critics say, the companies that get on the designated list often divide up the work by conspiring to rig their bids, adding substantially to taxpayer costs.

Under the new plan, open bidding will begin on April 1, though the rules will cover only the biggest contracts — central government projects valued at the equivalent of \$7.7 million or more and projects sponsored by public corporations valued at \$23.7 million or more.

A point system will be used for rating the

technical competence of all concerns wishing to bid on Japanese projects. The government assessors will count experience at building projects overseas toward a company's rating. But overseas construction work will not necessarily be regarded as equivalent to Japanese construction work.

Even if Washington accepts Tokyo's plan on construction bidding, the two sides remain at odds on how to improve foreign access in the Japanese market for such products as auto parts, telecommunications equipment and insurance. Washington is demanding that goals be set for increasing Japanese imports of foreign goods and services, while Tokyo rejects the idea as involving excessive government interference in the marketplace.

Russia Sees Hazard In Ukraine Warheads

By Fred Hiatt

Washington Post Service

MOSCOW — Senior Russian officials, pressing for early fulfillment of an arms treaty brokered by President Bill Clinton last week, said Tuesday that nuclear warheads in Ukraine were decaying and increasingly dangerous.

Colonel General Yevgeni Maslin, chief of nuclear systems in the Russian Defense Ministry, warned that Ukrainian storage facilities were overloaded and that its nuclear weapons were not being properly maintained. He said the danger of an accident in handling or transportation was increasing every day.

"The condition of nuclear safety in Ukraine continues to worsen," General Maslin said.

Ukrainian officials have denied that the nuclear weapons on their territory pose any immediate danger. They also have accused Russia of exaggerating the danger for political purposes.

Mr. Clinton was joined by President Boris N. Yeltsin of Russia and President Leonid M. Kravchuk of Ukraine in Moscow on Friday in signing an accord calling for the withdrawal of nuclear weapons from Ukraine for disassembly in Russia. In return, Russia and the United States agreed to pay Ukraine for the warheads and to help guarantee the nation's security.

The agreement has sparked opposition inside Ukraine, where some politicians and nationalist leaders want to hold onto the weapons. Many Ukrainians believe that Moscow does not respect Ukraine's independence and view nuclear arms as an important badge of sovereignty.

General Maslin said Tuesday that there were about 2,000 nuclear warheads in Ukraine, including 1,300 for intercontinental ballistic missiles and more than 600 for air-launched cruise missiles. Ukraine has 176 missile silos and about 40 bombers capable of handling nuclear weapons, he said.

The general welcomed the statement signed last week and urged Ukraine to accede to it quickly. Although the accord allows several years for Ukraine to become nonnuclear, General Maslin said Russia could withdraw and disassemble all of its neighbor's warheads within two years.

General Maslin did not speak of the danger of a nuclear explosion, but he implied that poor maintenance and handling could cause a conventional explosion that could spread radioactive material over a wide area.

RUBLE: Russian Run on Dollars

Continued from Page 1

usage minister's post without better terms.

But in a game of chicken his aides said that he had not resigned, and that talks might continue over his participation in the government. Having just promised Mr. Clinton that his support for Russian reforms would be unflinching, Mr. Yeltsin would be embarrassed by losing Mr. Fyodorov.

The reform economist Grigori A.

Yavlinsky, who has criticized Mr. Gaidar but praised Mr. Fyodorov, has said he is unlikely to play the role of window-dresser for the West that Mr. Gaidar clearly tired of. A departure of Mr. Fyodorov, Mr. Yavlinsky said Tuesday, "promises very high inflation in the nearest future."

In another strong indication of a changing, postelection mood, the foreign minister, Andrei V. Kozyrev, reportedly told a meeting of Russian ambassadors from the former Soviet states that it would be dangerous for Russian troops to withdraw completely from the area of the former Soviet Union. Although military domination is not in Moscow's interests, he said, "it would be dangerous to create a vacuum, because it might be filled with unfriendly forces."

A balance must be found between a full military presence and complete withdrawal, he said, both of which would be "extreme."

Britain to Mint D-Day Coin

Reuters

LONDON — The Royal Mint is to issue a special coin to commemorate the 50th anniversary in June of the World War II D-Day landing on the Normandy beaches in France. A silver version of the 50-pence (75-cent) coin will sell for £23.95 and a gold one for £275.

COVER-UP: Iran-Contra Report

Continued from Page 1

tras. He was convicted in 1989 of obstructing Congress, destroying government documents and accepting an illegal gratuity.

But the convictions were set aside on appeal in 1990 after hearings into whether the jury was biased by Mr. North's televised testimony before Congress in 1987. Mr. North gave that testimony on condition that he be immune from prosecution for any statements he made. Prosecutors were unable to prove his convictions had not been tainted by the congressional testimony.

Mr. North is preparing to run for the U.S. Senate from Virginia.

Mr. Foudintex was convicted of lying to Congress and seeking to cover up the affair. He was sentenced to six months in prison, but the conviction was reversed in 1991.

These are among the key findings of Mr. Walsh's 556-page report.

• Mr. Reagan "set the stage" for illegal activities of his aides. He ordered "in general terms" illegal efforts to aid the Contras and authorized the illegal sale of arms to Iran.

• The sale of arms to Iran violated government policy and may have violated the Arms Export Control Act.

• Secretary of State George P. Shultz, Mr. Weinberger and Mr. Reagan withheld information that would have given Congress a clearer idea of the scope of the scandal.

• Contrary to his public statements, Mr. Bush, as vice president, was fully aware of the Iran arms sale and efforts to raise money for the Nicaraguan rebels from third countries. There was no evidence, however, that Mr. Bush broke any laws.

• Several Reagan administration officials systematically withheld a large volume of documents relevant to the investigation. Notes kept by Mr. Reagan, Mr. Shultz and Mr. Weinberger during the scandal were withheld until late in the investigation.

• Reagan administration officials deliberately deceived Congress and the public about the level and extent of official knowledge of support for Mr. North's operations.

• Mr. Meese falsely stated that Mr. Reagan did not know about a 1985 Hawk missile shipment to Iran at the time of the shipment. Mr. Walsh considered prosecuting Mr. Meese in 1992 for making a false statement but concluded that the passage of time would make it difficult to prove the case.

The final report states that President Reagan generally authorized both the arms sales and military aid and "knowingly participated or at least acquiesced" in a cover-up by his senior aides.

But it concluded that there was "no credible evidence that President Reagan violated any criminal statute."

Mr. Reagan "set the stage for the illegal activities of others by encouraging and in general terms ordering military aid to the Contras," the report said.

Mr. Inman attacked what he called "the new McCarthyism" in public life in Washington, a reference to the 1950s era of Senator Joseph McCarthy and his strident campaign to rid the country of communists.

Some Senate aides, speaking anonymously, said that one of Mr. Inman's problems was a tempera-

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MARKET DIARY

Earnings Reports Lift Broad Market

Bloomberg Business News
NEW YORK — Stock prices gained Tuesday on the broad market as Chrysler Corp. and leading banks reported strong quarterly earnings and interest rates fell.

N.Y. Stocks

Strength, said Joseph DeMarco, managing director of equity trading at Maniasset, a unit of HSBC Asset Management.

The Dow Jones Industrial Average closed unchanged at 3,870.29 points after having been up for most of the day. The Standard & Poor's 500 Index advanced 0.95 to 474.25. The Nasdaq Composite Index added 0.84 to 793.02, breaking last Friday's record of 792.31.

More than five stocks rose for every four that fell on the New York Stock Exchange, where volume was a heavy 308 million shares.

U.S. Treasury bonds gained for the first time in four sessions as commodity prices declined, dampening concern inflation. The benchmark 30-year bond rose 17/32 to yield 6.26 percent, down from 6.30 percent on Monday.

German Rate Outlook Undermines Dollar

Bloomberg Business News
NEW YORK — The dollar fell Tuesday against the Deutsche mark and other major currencies amid speculation that the Bundesbank will refrain from cutting interest rates after its biweekly meeting.

Many traders had been expecting the central bank to reduce rates in a bid to jump start Germany's sluggish economy. Now, the Bundesbank's reluctance to see the mark weaken against the dollar and other currencies may dash those hopes, the traders said.

"Ninety percent of currency traders are expecting the Bundesbank to do nothing this week," said Kevin Lawrie, foreign exchange manager at Mellon Bank in Pittsburgh.

The dollar finished at 1.7465 DM, down from 1.7525 DM on Monday. The dollar also slipped to 110.79 yen from 111.135 yen, to 1.4620 Swiss francs from 1.4750 francs and to 5.9335 French francs from 5.9475 francs.

The pound finished at \$1.4960, up from \$1.4935.

Commodity prices dropped after reaching a three-year high Monday. West Texas Intermediate crude oil for delivery next month fell 23 cents to \$14.87 a barrel.

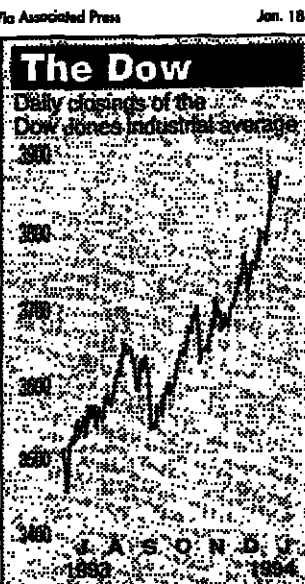
Unexpectedly strong earnings from Chrysler, which said fourth-quarter net income surged to \$2.11 a share from \$1.12 a share a year ago, raised expectations that Ford Motor Co. and GM would also post better-than-expected profits.

All three U.S. automakers reached 52-week highs. Chrysler rose 1/2 to 62 1/2. Ford added 1/4 to 68 1/2 and GM gained 1/4 to 62.

"You had a blowout quarter come out of Chrysler, and that helped cyclical, certainly those that are auto-related," said Philip Orlando, an equity portfolio manager at First Capital Advisers.

Many of the largest U.S. banks reported large earnings increases, although some saw their share prices retreat after recent rallies. "Investors are concerned about the Federal Reserve increasing rates over the next few quarters, and that's created an artificial black cloud or ceiling over financial stocks," Mr. Orlando said.

Citicorp rose 1/4 to 4 1/4 and Chase Manhattan gained 1/4 to 35 1/4. But Wells Fargo fell 1/4 to 13 1/4 after setting a 52-week high and Chemical Banking Corp. lost 1/4 to 40 1/4.



NYSE Most Active

Vol.	High	Low	Last	Chg.
IBM	119.75	119.50	119.75	+0.25
Microsoft	75.00	74.50	75.00	+0.50
Oracle	55.00	54.50	55.00	+0.50
Novell	45.00	44.50	45.00	+0.50
Intel	35.00	34.50	35.00	+0.50
HP	25.00	24.50	25.00	+0.50
Compaq	15.00	14.50	15.00	+0.50
Digital	10.00	9.50	10.00	+0.50
Seagate	8.00	7.50	8.00	+0.50
Western Digital	7.00	6.50	7.00	+0.50

AMEX Most Active

Vol.	High	Low	Last	Chg.
Advanced Micro	12.00	11.50	12.00	+0.50
Applied	11.00	10.50	11.00	+0.50
Chips	10.00	9.50	10.00	+0.50
Conquest	9.00	8.50	9.00	+0.50
Design	8.00	7.50	8.00	+0.50
Devices	7.00	6.50	7.00	+0.50
Electronic	6.00	5.50	6.00	+0.50
Equipment	5.00	4.50	5.00	+0.50
Financial	4.00	3.50	4.00	+0.50
Healthcare	3.00	2.50	3.00	+0.50

NASDAQ Diary

Advanced	Declined	Unchanged	Total Issues
1,127	1,127	1,127	3,381
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1,127	1,127	1,127	3,381
1,127	1,127	1,127	3,381
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1,127	1,127	1,127	3,381
1,127	1,127	1,127	3,381

NASDAQ Diary

Dow Jones Averages

Open	High	Low	Last	Chg.
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00
3,870.29	3,870.29	3,870.29	3,870.29	0.00

Standard & Poor's Indexes

High	Low	Last	Chg.
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95

NYSE Indexes

High	Low	Last	Chg.
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84

NASDAQ Indexes

High	Low	Last	Chg.
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84
793.02	793.02	793.02	+0.84

AMEX Stock Index

High	Low	Last	Chg.
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95
474.25	474.25	474.25	+0.95

Dow Jones Bond Averages

Belgium's largest holding company, which is 61 percent owned by Suez, sold 4.1 million shares in a transaction that pared its stake to 2.3 million shares. Based on Tuesday's closing price of 345 French francs, the deal had a value of 1.4 billion francs (\$240 million).

Bundesbank Pledges Caution On Rate Cuts

FRANKFURT — The Bundesbank said Tuesday it would not be forced into easing monetary policy solely to rescue the German economy, but some analysts still see a good chance that German interest rates will come down this week.

In its January report, the central bank said it would continue to use carefully any room for rate changes that emerged from economic and monetary developments.

"A policy of forced interest-rate cuts motivated by economic policy is just as much out of the question as is the attempt to find a solution for German economic problems in a mark devaluation brought about by interest-rate cuts," it said.

The Bundesbank will, as it has done so far, carefully sound out room for maneuver on interest rates that emerges from the macro-economic environment.

The bank's central council is due to hold its regular biweekly meeting Thursday to review policy, including interest-rate levels.

The primary task for monetary policy is to return to price stability, the Bundesbank said. "In this way it lays the foundation for lasting growth and contributes toward protecting Germany as an industrial location," it said.

Some economists expect the Bundesbank to lower interest rates at this week's council meeting even though the mark is at its lowest level against the dollar in two-and-a-half years. The German currency is trading at about 1.75 to the dollar.

But others predict the central bank will hold rates steady for now,

preferring to wait for new data on money supply and inflation to see whether an easing can be justified.

"A falling mark is no problem as long as it falls slowly," Norbert Brüms, economist at Barclays de Zoete Wedd, said.

Peñal Aide to Get Post

A former key aide to Karl Otto Pöhl, once the Bundesbank president, has been chosen to become a member of the central bank's directorate, government sources said.

The sources said Gerd Häusler, 42, head of the Bundesbank's credit department, was likely to succeed Günther Storch, who is to retire at the end of February.

Mr. Storch, who turns 68 early next month, is responsible for staff and administration on the board.

Both Mr. Häusler and Mr. Storch have links to the Free Democratic Party, junior member of the governing coalition in Bonn.

Mr. Häusler has risen quickly at the Bundesbank. After heading Mr. Pöhl's office, he led the central bank's international financial markets division and then became a head of department, one rank below board member.

At the credit department, Mr. Häusler is responsible for money-market operations and developments on the capital markets.

Together with the presidents of Germany's regional central banks, the Bundesbank board members make up the central bank council, which makes decisions on monetary policy every other Thursday.

The Bundesbank had no comment on Mr. Häusler's possible appointment.

IMI Seeks Higher Profile

How to Lure Small Investors to Share Offer?

Bloomberg Business News

MILAN — The average Giovanni or Giulia doesn't know much about Istituto Mobiliare Italiano.

And that presents a challenge to the government. When the government sold its stake in Credito Italiano SpA last month, much of the 1.75 trillion lire (\$1.05 billion) paid out for shares came from individual investors who had their savings or checking accounts at that well-known retail bank.

But IMI, in which the Italian Treasury will sell a one-third share starting on Jan. 31, isn't a retail bank and has little name recognition. That's the problem for the government, which is committed to broadening the ownership of Italian business and industry.

"IMI doesn't carry the same sort of household name as Credito," said Michael Ierubino, an analyst at Murchio SIM, a Milan brokerage. "Credito seems to have a branch on every street corner and village."

If the ordinary investor is unexcited about IMI, however, some mutual and pension funds in Italy and overseas say that they find it interesting.

Unlike other large Italian banks, IMI relies less on traditional lending for its revenue and more on fund management, investment banking and securities trading. It is, wrote John Leonard, a banking analyst at Salomon Brothers Inc. in New York, the closest thing in Italy to a J.P. Morgan & Co. or a Bankers Trust, referring to U.S. banks that have moved away from traditional lending.

"It will be a completely new sort of animal on the Milan stock market," said Francesco Ricciulli, an analyst at Carnegie International in London.

Allan Raphael, a fund manager at S. Arnold & S. Bleichroeder in New York, said he spurned Credito's shares because he already held stock in several Italian banks and didn't want to add to his exposure. But he said he almost certainly will buy into IMI because he finds its large fund-management operations and high-quality loan book attractive.

IMI has become Italy's largest stock and bond broker through its Sige investment bank subsidiary, and the bank is expanding its life insurance operations. It is also Italy's largest mutual fund manager, with about 20 percent of the market, double that of its closest competitor, the RAS SpA insurance group. It is likely to gain market share,

say some analysts, as the government increases its efforts to foster the creation of pension funds.

"IMI's biggest distributor of mutual funds in Italy, and that's a great position to be in because at some point Italy will have to reform its pension-fund system," Mr. Raphael said.

The difficulty for the government, analysts add, is to make the general public aware of the bank's potential for earnings growth.

Last week, the Italian Treasury said that at least 75 million of the 200 million shares of IMI it plans to sell will be reserved for individual investors. Another 25 million are slated for Italian institutions, with 65 million for overseas investors and 5 million for IMI employees.

The Treasury also said that to sell IMI it will use television advertising for the first time in its privatization program. For the sale of Credito, the

'It will be a completely new sort of animal on the Milan stock market.'

Francesco Ricciulli, Carnegie International

government used only billboard and print ads, relying on the bank's name recognition.

Mr. Ierubino said that the Treasury has been a bit leathargic about pitching the IMI issue to individuals. Institutional interest is secure, he said, "but they are going to have to get moving on the promotional side. And the price will have to be on the low end of the range."

The Treasury has said that the issue price will be between 9,800 lira and 11,000 lire a share. The government will disclose the actual price on Jan. 29, just two days before the issue. Mr. Ierubino said he estimates fair market value to be about 10,350 lire a share.

IMI shares are planned for listing on the Milan, London and New York stock exchanges.

IMI is currently half-owned directly by the Treasury. The rest is split among 64 financial institutions, none of which currently break a 10 percent limit that IMI will impose on all future shareholdings.

Profit Falls 85% at Unit Of Thyssen

Bloomberg Business News

ESSEN, Germany — Thyssen Industrie, the car-parts and capital-goods unit of the steel giant Thyssen AG, said Tuesday that profit had plunged 85 percent in its latest business year because of the cost of laying off staff and the recession in the German car-parts industry.

Profit for the year ended Sept. 30 fell to 31.7 million Deutsche marks (\$18.1 million) from 211.5 million DM a year earlier. Revenue fell almost 7 percent, to 8.1 billion DM.

Thyssen Industrie had predicted a rough ride, but profit fell further than had been expected, Chief Executive Eckhard Rohkamm said.

Mr. Rohkamm said the profit figure was after 177 million DM of charges linked to recent job cuts. The company reduced its work force by 4.7 percent in the reporting year, to 44,867.

Orders fell less severely than profit, indicating that lower prices were part of the reason for reduced earnings. Orders were off 9 percent, to 7.7 billion DM, in the 1992-93 year.

The fall in orders was due largely to reduced domestic demand for car parts.


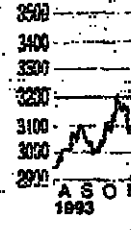
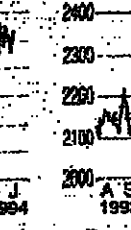
Porsche Has Record Loss

Porsche AG reported Tuesday the biggest annual loss in its history, but management said the company's results were improving, Reuters reported.

Porsche's group loss for the year ended July 31 came to 238.8 million DM, compared with a loss of 65.8 million DM the previous year.

The management board chairman, Wendelin Wiedeking, said Porsche's six-month loss for the current financial year was expected to be 115 million DM, compared with 120 million DM a year earlier.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
				
Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	425.16	422.93	+0.53
Brussels	Stock Index	7,642.72	7,604.50	+0.50
Frankfurt	DAX	2,113.84	2,137.38	-1.10
Frankfurt	FAZ	810.11	822.29	-1.48
Helsinki	HEX	1,825.78	1,833.94	-0.44
London	Financial Times 30	2,623.50	2,615.70	+0.30
London	FTSE 100	3,457.00	3,407.80	+0.86
Madrid	General Index	333.84	330.07	+1.14
Milan	MIB	989.00	985.00	+0.41
Paris	CAC 40	2,247.85	2,234.78	+0.56
Stockholm	Aftersvaenden	1,803.30	1,803.88	-0.03
Vienne	Stock Index	500.31	498.12	+0.24
Zurich	SBS	1,047.00	1,038.76	+0.79

Sources: Reuters, AFP

International Herald Tribune

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Hoechst AG plans to cut up to 2,000 jobs in its fiber business at 14 West European sites by the end of next year.
- Trehand, the German privatization agency, said it would sell 60 percent of the steelmaker EKO Stahl AG to Riva Prodotti Siderurgici SpA of Italy and keep a 40 percent stake itself; terms were not disclosed.
- Hagemeyer NV, a Dutch trading concern controlled by First Pacific Co. of Hong Kong, said it expected to report a net profit for 1993 of about 161 million guilders (\$82 million), up more than 50 percent from 1992.
- French industrial output in December continued a recovery noted in November but is likely to stabilize during the next few months, the Bank of France said after a survey of business executives.
- The Danish central bank lowered its discount rate 0.25 percentage point to 5.75 percent, effective Wednesday.
- Pilsenka Pivovary, the Czech Republic's largest brewery, is expected to reclaim its famous trademark, Pilsenka Pivovary or Original Pilsner, under an agreement with the government, the brewer's former owner.
- The European Union approved a venture between Snecma of France and TI Group PLC of Britain to produce aircraft landing gear.

Bloomberg, Reuters, AFP, Knight-Ridder

Elf Rushes Profit Report, Sale Looks Imminent

Compiled by Our Staff From Dispatches

PARIS — Société Nationale Elf Aquitaine announced Tuesday an 82 percent plunge in consolidated net profit for 1993, clearing the decks for an imminent sale to the public, analysts said.

The widely expected fall, to 1.1 billion French francs (\$190 million) from 6.2 billion francs in 1992, came after one-time charges of 2.0 billion francs and was in line with a forecast made by Chairman Philippe Jaffré in November.

The fact that the company reported earnings several weeks before they are normally due sent the stock up 9.80 francs to close at 408 francs a share on the prospect of a rapid privatization.

"These results put Elf's sale on the starting blocks," said Patrick Legall, head of research at brokerage Transocean.

According to French press reports, on which the Economy Ministry declined to comment, the sale could start as early as Monday, Economy Minister Edmond Alphandery said this month that Elf would be sold in the next few weeks.

Excluding nonrecurring items, consolidated profit fell 47 percent in 1993 to 3.1 billion francs, from 5.8 billion francs in 1992. Elf laid the blame for the slump in profit on the worsening economic situation, particularly in Europe, and the steep drop in oil prices.

The 1993 nonrecurring charges included 1.5 billion francs for writing down the value of

certain North Sea oil and gas assets. They also included provisions for restructuring the company's chemical business and a write-down of financial portfolio investments.

(Bloomberg, Knight-Ridder)

Indonesian Chief to Head ACF

Antoine Jeancoeur-Galligani, chairman of Banque Indosuez, has been named chairman of Assurances Générales de France, the government said Tuesday, according to news agency reports. His move from a publicly traded company — Indosuez is a unit of Compagnie de Suez — is seen as helping pave the way for a rapid sell-off of the state-owned insurer.

(AFX, Reuters)

DEBT: Investors Hunt Hot Spots

Continued from Page 11

most are still not overvalued.

Felix Robyns, the head of emerging markets for CS First Boston, says spreads between interest rates on U.S. Treasury securities and those on debt of many large Latin American governments fell by a massive 150 basis points last year.

But he insists that this reflects the improvement in those governments' credit quality as much as it does investor demand for their paper.

While the massive flows of capital to the emerging markets may strike some as a disturbing trend

likely to depress growth in the industrial world and to raise risks of financial instability, others say it is old hat. Baring's Mr. Melville says that in the 19th century and up to the start of World War I, such flows were the norm.

It was, he said, a phenomenon that merely had been interrupted until recently by the rise of communism in parts of the developing world and by widespread exchange controls elsewhere.

"You could say we are just returning to the natural order of things," Mr. Melville suggested.

MAI Bids for Anglia TV

Agence France-Presse

LONDON — MAI PLC, a British investment group, on Tuesday launched an agreed takeover bid for Anglia Television Group PLC, which broadcasts to southeastern England on the ITV network.

MAI said it was offering Anglia shareholders at least 637 pence (\$9.49) a share in cash and stock, valuing the company at £292 million (\$435 million). MAI said Anglia management had recommended shareholders accept the offer.

Anglia shares jumped 180 pence to close at 662 pence on the London Stock Exchange.

The takeover bid is the third in the sector since November, when the British government said it would allow regional ITV companies to control two broadcasting licenses in place of one.

Carlton Communications PLC has already taken over Central Independent TV, and LWT Holdings PLC is fighting a hostile bid from Granada Group PLC.

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Div	Yld	PE	Ratio
120	110	1.00	4.00	15.00	1.00	120	110	1.00	4.00	15.00	1.00
110	100	0.80	3.50	14.00	0.80	110	100	0.80	3.50	14.00	0.80
100	90	0.70	3.00	13.00	0.70	100	90	0.70	3.00	13.00	0.70
90	80	0.60	2.50	12.00	0.60	90	80	0.60	2.50	12.00	0.60
80	70	0.50	2.00	11.00	0.50	80	70	0.50	2.00	11.00	0.50
70	60	0.40	1.50	10.00	0.40	70	60	0.40	1.50	10.00	0.40
60	50	0.30	1.00	9.00	0.30	60	50	0.30	1.00	9.00	0.30
50	40	0.20	0.50	8.00	0.20	50	40	0.20	0.50	8.00	0.20
40	30	0.10	0.00	7.00	0.10	40	30	0.10	0.00	7.00	0.10
30	20	0.00	0.00	6.00	0.00	30	20	0.00	0.00	6.00	0.00
20	10	0.00	0.00	5.00	0.00	20	10	0.00	0.00	5.00	0.00
10	0	0.00	0.00	4.00	0.00	10	0	0.00	0.00	4.00	0.00

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Div	Yld	PE	Ratio
120	110	1.00	4.00	15.00	1.00	120	110	1.00	4.00	15.00	1.00
110	100	0.80	3.50	14.00	0.80	110	100	0.80	3.50	14.00	0.80
100	90	0.70	3.00	13.00	0.70	100	90	0.70	3.00	13.00	0.70
90	80	0.60	2.50	12.00	0.60	90	80	0.60	2.50	12.00	0.60
80	70	0.50	2.00	11.00	0.50	80	70	0.50	2.00	11.00	0.50
70	60	0.40	1.50	10.00	0.40	70	60	0.40	1.50	10.00	0.40
60	50	0.30	1.00	9.00	0.30	60	50	0.30	1.00	9.00	0.30
50	40	0.20	0.50	8.00	0.20	50	40	0.20	0.50	8.00	0.20
40	30	0.10	0.00	7.00	0.10	40	30	0.10	0.00	7.00	0.10
30	20	0.00	0.00	6.00	0.00	30	20	0.00	0.00	6.00	0.00
20	10	0.00	0.00	5.00	0.00	20	10	0.00	0.00	5.00	0.00
10	0	0.00	0.00	4.00	0.00	10	0	0.00	0.00	4.00	0.00

12 Month High	Low	Div	Yld	PE	Ratio	High	Low	Div	Yld	PE	Ratio
120	110	1.00	4.00	15.00	1.00	120	110	1.00	4.00	15.00	1.00
110	100	0.80	3.50	14.00	0.80	110	100	0.80	3.50	14.00	0.80
100	90	0.70	3.00	13.00	0.70	100	90	0.70	3.00	13.00	0.70
90	80	0.60	2.50	12.00	0.60	90	80	0.60	2.50	12.00	0.60
80	70	0.50	2.00	11.00	0.50	80	70	0.50	2.00	11.00	0.50
70	60	0.40	1.50	10.00	0.40	70	60	0.40	1.50	10.00	0.40
60	50	0.30	1.00	9.00	0.30	60	50	0.30	1.00	9.00	0.30
50	40	0.20	0.50	8.00	0.20	50	40	0.20	0.50	8.00	0.20
40	30	0.10	0.00	7.00	0.10	40	30	0.10	0.00	7.00	0.10
30	20	0.00	0.00	6.00	0.00	30	20	0.00	0.00	6.00	0.00
20	10	0.00	0.00	5.00	0.00	20	10	0.00	0.00	5.00	0.00
10	0	0.00	0.00	4.00	0.00	10	0	0.00	0.00	4.00	0.00

12 Month		Div		Yld		PE		Ratio		High		Low		Latest		Open	
High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low
120	110	1.00	4.00	15.00	1.00	120	110	1.00	4.00	15.00	1.00	120	110	1.00	4.00	15.00	1.00
110	100	1.00	4.00	15.00	1.00	110	100	1.00	4.00	15.00	1.00	110	100	1.00	4.00	15.00	1.00
100	90	1.00	4.00	15.00	1.00	100	90	1.00	4.00	15.00	1.00	100	90	1.00	4.00	15.00	1.00
90	80	1.00	4.00	15.00	1.00	90	80	1.00	4.00	15.00	1.00	90	80	1.00	4.00	15.00	1.00
80	70	1.00	4.00	15.00	1.00	80	70	1.00	4.00	15.00	1.00	80	70	1.00	4.00	15.00	1.00
70	60	1.00	4.00	15.00	1.00	70	60	1.00	4.00	15.00	1.00	70	60	1.00	4.00	15.00	1.00
60	50	1.00	4.00	15.00	1.00	60	50	1.00	4.00	15.00	1.00	60	50	1.00	4.00	15.00	1.00
50	40	1.00	4.00	15.00	1.00	50	40	1.00	4.00	15.00	1.00	50	40	1.00	4.00	15.00	1.00
40	30	1.00	4.00	15.00	1.00	40	30	1.00	4.00	15.00	1.00	40	30	1.00	4.00	15.00	1.00
30	20	1.00	4.00	15.00	1.00	30	20	1.00	4.00	15.00	1.00	30	20	1.00	4.00	15.00	1.00
20	10	1.00	4.00	15.00	1.00	20	10	1.00	4.00	15.00	1.00	20	10	1.00	4.00	15.00	1.00
10	0	1.00	4.00	15.00	1.00	10	0	1.00	4.00	15.00	1.00	10	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
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0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
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0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00	0	0	1.00	4.00	15.00	1.00
0	0	1.00	4.00	15.00	1.00	0	0	1.00									

Tuesday's Closing

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High Low Stock	Div	Yld	P/E	100s	High	Low	Lastest	CY%
12/1/80	1.00	12	12	100	100	100	100	100
12/2/80	1.00	12	12	100	100	100	100	100
12/3/80	1.00	12	12	100	100	100	100	100
12/4/80	1.00	12	12	100	100	100	100	100
12/5/80	1.00	12	12	100	100	100	100	100
12/6/80	1.00	12	12	100	100	100	100	100
12/7/80	1.00	12	12	100	100	100	100	100
12/8/80	1.00	12	12	100	100	100	100	100
12/9/80	1.00	12	12	100	100	100	100	100
12/10/80	1.00	12	12	100	100	100	100	100
12/11/80	1.00	12	12	100	100	100	100	100
12/12/80	1.00	12	12	100	100	100	100	100
12/13/80	1.00	12	12	100	100	100	100	100
12/14/80	1.00	12	12	100	100	100	100	100
12/15/80	1.00	12	12	100	100	100	100	100
12/16/80	1.00	12	12	100	100	100	100	100
12/17/80	1.00	12	12	100	100	100	100	100
12/18/80	1.00	12	12	100	100	100	100	100
12/19/80	1.00	12	12	100	100	100	100	100
12/20/80	1.00	12	12	100	100	100	100	100
12/21/80	1.00	12	12	100	100	100	100	100
12/22/80	1.00	12	12	100	100	100	100	100
12/23/80	1.00	12	12	100	100	100	100	100
12/24/80	1.00	12	12	100	100	100	100	100
12/25/80	1.00	12	12	100	100	100	100	100
12/26/80	1.00	12	12	100	100	100	100	100
12/27/80	1.00	12	12	100	100	100	100	100
12/28/80	1.00	12	12	100	100	100	100	100
12/29/80	1.00	12	12	100	100	100	100	100
12/30/80	1.00	12	12	100	100	100	100	100
12/31/80	1.00	12	12	100	100	100	100	100
1/1/81	1.00	12	12	100	100	100	100	100
1/2/81	1.00	12	12	100	100	100	100	100
1/3/81	1.00	12	12	100	100	100	100	100
1/4/81	1.00	12	12	100	100	100	100	100
1/5/81	1.00	12	12	100	100	100	100	100
1/6/81	1.00	12	12	100	100	100	100	100
1/7/81	1.00	12	12	100	100	100	100	100
1/8/81	1.00	12	12	100	100	100	100	100
1/9/81	1.00	12	12	100	100	100	100	100
1/10/81	1.00	12	12	100	100	100	100	100
1/11/81	1.00	12	12	100	100	100	100	100
1/12/81	1.00	12	12	100	100	100	100	100
1/13/81	1.00	12	12	100	100	100	100	100
1/14/81	1.00	12	12	100	100	100	100	100
1/15/81	1.00	12	12	100	100	100	100	100
1/16/81	1.00	12	12	100	100	100	100	100
1/17/81	1.00	12	12	100	100	100	100	100
1/18/81	1.00	12	12	100	100	100	100	100
1/19/81	1.00	12	12	100	100	100	100	100

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[illegible][illegible]

Continued from Page 11

Turner Broadcasting Systems Inc. previewed a "Gettysburg" CD that lets viewers alter the course of the battle, while Canal Plus's MediaLab showcased a tour of the Cluny Abbey, destroyed in the 17th century, but reconstructed in virtual reality.

Olivetti SpA unveiled a computer with video telephony enabling simultaneous long-distance trans-

mission of images and text. Jointly with British Telecom PLC, Olivetti has spent \$15 million to develop the system, targeted for banks, insurance companies and advertising markets. The Olivetti system, which goes on sale next month, will cost around \$6,000 for the first station and about \$4,500 each for additional stations.

Nearly, you could try speaking French with the animated comic characters inhabiting Apple's Asterix CD, one of the hundreds of

titles aimed at the burgeoning children's education market.

Musical programs of all sorts abounded, with Smithsonian's two compendiums on the blues having the musicians themselves giving thumbtack lessons in playing guitar and harmonica.

"Star Trek Interactive," a video game developed by 3DO Co., promises to give synthetic computer characters a life of their own, beyond the control of the players.

"Our feeling is that all these me-

dia are going to run over you," quipped Siegfried Kögel, general manager of MacGuffin, a company based in Zurich. "So we've developed an interactive media guide that learns what you like by recording what you watch and then chooses what programs to watch for you so you don't have to work too hard. It's not out yet, but our working title is 'The Friend.'"

In the disorienting, information-packed multimedia future, nothing could come in more handy.

[illegible]

12 Month High Low Stock	Div	Yld	P/E	MR	High	Low	Latest CP
12/1/80							
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99	1	10/10/10
100	1	10/10/10

INTERNATIONAL FUNDS

Jan. 18, 1994

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.

[illegible]

Quotations supplied by firms listed. Not exact value quotations are supplied to the market. The marginal quotation indicates frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly.

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S&P Lowers Japan Brokers' Credit Ratings

Bloomberg Business News

TOKYO — Citing the weakness of Japan's stock market, Standard & Poor's Corp. on Tuesday lowered its credit ratings for Japan's top four brokers.

The U.S. rating agency said the downgrade applies to all affiliates, foreign and domestic, of the four: Daiwa Securities Co., Nikko Securities Co., Nomura Securities Co. and Yamaichi Securities Co.

S&P said it believed the securities industry in Japan would continue to be negatively affected by low market turnover and limited new equity offerings.

S&P also said liberalization of financial markets in Japan will increase pressure on profit margins. The brokerage's current profit forecasts for the year ending March

31 range between 22 billion yen (\$198 million) for Yamaichi and 70 billion yen for Nomura. But the brokerage based the forecasts on an estimated average volume on the Tokyo market of 450 billion yen a day between April 1, 1993 and this March 31, and so far, volume has averaged only 360 billion yen a day.

In December, the Finance Ministry lifted a three-year ban on publicly traded companies' selling new shares. But only about 30 companies qualify to sell shares under new restrictions introduced when the ban was abolished.

Daiwa Securities' short-term debt rating was lowered to A-1 from A-1-plus. Daiwa has no outstanding long-term debt to rate, the agency said.

The senior long-term debt rating on Nikko Securities was lowered to A-1 from A-1-plus. Nikko's short-term debt rating was lowered to A-1 from A-1-plus.

Nomura's senior long-term debt rating was lowered to AA from AA-plus, S&P said. Nomura's short-term debt rating of A-1-plus will remain unchanged.

The senior long-term debt rating on Yamaichi was lowered to A-minus from A. The short-term rating was lowered to A-1 from A-2.

But such a strategy carries a risk of undermining the American bargaining position in the framework talks. Tokyo has resisted American demands to establish goals for increasing the sales of foreign goods and services in Japan, arguing that the government cannot control the purchasing decisions of private companies and individuals.

By talking to companies directly, Washington seems to be agreeing to pinpoint.

"We are attempting to break new ground in how complex negotiations involving big industries will be dealt with," said Jeffrey E. Garten, under secretary of commerce for international trade. "There will have to be some kind of overlap between public and private involvement."

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U.S. Takes New Japan Trade Tack

Direct Talks With Companies Aim to Break Stalemate

By Andrew Pollack

New York Times Service

TOKYO — After months of fruitless trade negotiations with the Japanese government, the Clinton administration is taking a new tack. It has begun to talk directly to Japanese companies, urging them to buy more foreign products and to take other actions on their own to reduce Japan's huge trade surplus.

The direct appeal to the companies is partly an effort to circumvent Japan's bureaucrats, whom American officials accuse of being recalcitrant and responsible for the stalemate in negotiations under a new framework for trade talks agreed to by the two nations in July.

Some trade experts argue that even beyond the current negotiations, dealing directly with Japanese companies could become a more effective way of achieving American goals than working through the Japanese government. But so far, concrete results from such an approach are difficult to pinpoint.

"We are attempting to break new ground in how complex negotiations involving big industries will be dealt with," said Jeffrey E. Garten, under secretary of commerce for international trade. "There will have to be some kind of overlap between public and private involvement."

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In his meetings with the toping with this argument, at least for automobiles and auto parts. "The fact is, the big issues in the automotive sector are driven by the companies themselves," said Mr. Garten, who is the chief U.S. negotiator on autos and auto parts. "To think the government is going to press a button and say, 'We're going to change the trade balance' is a mirage."

During two trips to Japan, this month and last, Mr. Garten called on the top executives of Japan's leading automakers. Some industry and government officials say these visits reflect more the personal style of Mr. Garten than a new strategy by Washington. But others said they expected Washington to expand

these personal contacts with corporate executives.

American officials also met this month with Nippon Telegraph & Telephone Corp., urging it to buy more foreign equipment. An NTT spokesman said, however, that the meeting focused on a previous trade agreement on the company's procurement.

Mr. Garten said he did not think he was undermining Washington's bargaining position by approaching the companies directly, saying the United States is still making many requests of the Japanese government as well. In addition, he said, the automobile sector is different from other sectors in the framework talks, several of which involve government procurement.

The visits seem to suggest that one way out of the stalemate in the framework talks would be for Japan's auto companies to set voluntary goals for buying foreign auto parts or selling foreign cars through their dealers. That would allow Japan's government to avoid agreeing to targets while giving Washington the measurable results it is seeking.

But Japanese officials say there is little chance the companies will agree to this. They announced such voluntary plans in January 1992, when George Bush, then the U.S. president, visited Japan.

Some companies, however, now regret having made these plans because Japan's prolonged economic slump, unforeseen at the time, will make it difficult for them to reach the goals. In addition, Japan says the United States has "misconstrued" the voluntary plan as a pledge and is trying to hold Japan to it.

Two governors, two mayors and more than 25 construction executives have been arrested since last summer in a series of similar scandals.

(Reuters, AP)

2 Construction Executives Are Arrested in Bribe Case

Compiled by Our Staff From Dispatches

TOKYO — Two senior executives of Japan's fourth-largest construction company were arrested Tuesday on suspicion of bribing a mayor in the latest scandal involving corrupt dealings between the industry and politicians.

Prosecutors arrested Kōzōki Hagawa, vice president of Obayashi Corp., and Junichi Konishi, head of its northeastern Japan office.

The two are suspected of having given a 10 million yen (\$90,000) bribe in 1992 to the mayor of Sendai, a city in northern Japan.

Prosecutors said they also raided Obayashi's offices in Sendai, Tokyo and Osaka, and the homes of some other company executives.

U.S. trade officials have charged that corruption in Japan's construction industry is a barrier to foreign companies. On Tuesday, Japan's government approved a plan to open more public works projects to foreign contractors and reduce corrupt bidding practices.

Sendai's mayor, Tōru Ishii, has resigned and is on trial on separate charges of accepting bribes from six construction companies.

News reports said prosecutors believed Obayashi gave Mr. Ishii the money in connection with bidding on a 37 billion yen waste incinerator and other city projects.

Two governors, two mayors and more than 25 construction executives have been arrested since last summer in a series of similar scandals.

(Reuters, AP)

Investor's Asia

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong Hang Seng	1993	11,017.60	10,792.90	+2.08
Singapore Straits Times	1993	2,280.41	2,277.04	+0.15
Sydney All Ordinaries	1993	2,232.10	2,238.20	-0.27
Tokyo Nikkei 225	1993	18,514.55	18,725.37	-1.13
Kuala Lumpur Composite	1993	1,710.22	1,704.14	+0.35
Bangkok SET	1993	1,477.03	1,474.11	+0.20
Seoul Composite Stock	1993	873.06	863.25	+1.14
Taipei Weighted Price	1993	5,876.43	6,054.83	-2.95
Manila Composite	1993	2,915.20	2,910.53	+0.16
Jakarta Stock Index	1993	592.01	577.69	+2.48
New Zealand NZSE-40	1993	2,248.40	2,241.96	+0.28
Bombay National Index	1993	1,883.70	1,909.02	-1.30

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Mitsubishi Kasei Corp. will close its Malaysian chemical factory, Asian Rare Earth, because it is uncompetitive, an officer of the Malaysian unit said; last month, the factory won a long legal battle to continue operations, but environmentalists insist it poses a public health risk.
- Hong Kong's stock exchange censured Lee Lap, chairman of the electronics manufacturer Terabyte Industries International, for unfairly gaining control of some of the company's publicly traded shares.
- Bank of East Asia, Hong Kong's third-largest publicly traded bank, said profit after taxes and transfers to inner reserves climbed 46.8 percent in 1993, to 1 billion Hong Kong dollars (\$129.4 million).
- Nestle China Ltd. formed two joint ventures valued at a total of \$45 million to make ice cream and other dairy products.
- Sheraton International Inc., a unit of ITT Sheraton Corp., agreed to establish China's first joint-venture hotel management company.
- Alcan Australia Ltd. said it moved back into profit in 1993 after three years of losses; the company reported profit of 772,000 Australian dollars (\$535,400), compared with a loss of 15.5 million dollars in 1992.
- China plans to permit foreigners to explore and develop its oil and natural gas reserves, the official China Daily reported.
- PepsiCo Inc. agreed to form a \$28 million joint-venture soft-drink company in Chongqing, in China's Sichuan province; in the venture, with China Tianjin Cola Holding Co., PepsiCo will upgrade existing machinery before installing new equipment. AFP, Bloomberg, AP, Knight-Ridder, Reuters

H.K. Paper Sets Feb. 1 Launch

Reuters

HONG KONG — Hong Kong's new English-language newspaper plans to hit the streets on Feb. 1 with an initial print run of 83,000, executives said on Tuesday.

The Eastern Express had announced a launch date of Jan. 20. Journalists at the paper said the delay was caused by teething problems with the computer system.

The new paper will challenge the supremacy of the 90-year-old South China Morning Post, which has daily circulation of 110,000 and is considered one of the world's most profitable newspapers.

AMEX

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trading elsewhere. Via The Associated Press

12 Month High Low Stock Div Yld PE 100s High Low Last Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
12.00	11.00	IBM	3.00	4.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Microsoft	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Apple	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Oracle	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Sun	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Novell	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Lotus	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Intuit	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Adobe	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00
12.00	11.00	Macromedia	0.00	0.00	15.00	100	110.00	108.00	109.00	+1.00

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SPORTS

Harding's Husband Reportedly Linked To Attack Payment

Compiled by Our Staff From Dispatches

PORTLAND, Oregon — Figure skater Tonya Harding was to be questioned Tuesday by the district attorney's investigators reportedly linking her Olympic training fund and her former husband to the attack on rival Nancy Kerrigan.

NBC News, quoting sources in Portland, reported that authorities have bank and wire transfer records that could tie Gillooly to the three men already charged in the attack, and that the records may confirm bodyguard Shawn Eckardt's claim that Gillooly financed the attack.

Ron Hoover, Gillooly's lawyer, said Gillooly had paid Eckardt \$3,500 a few hours after the attack because Harding was "very freaked out" by the incident. Gillooly was still in Portland at the time, then flew to Detroit to join Harding.

Hoover said \$3,000 of the payment — for bodyguard services in Portland and for an upcoming appearance in Fairfax, Virginia, that Harding canceled — came out of her funds with the U.S. Figure Skating Association. The other \$500 was in cash.

"It was a legitimate payment," Hoover said. "This was the only time Gillooly or Harding paid Eckardt for bodyguard services."

Shane McInnis, the man accused of striking Kerrigan's leg, appeared before a judge in Oregon and agreed not to fight extradition to Oregon.

Harding practiced again early in the morning, asked at the driveway to her home whether her ex-husband would be arrested, she said, "No, he's not."

In Detroit, the Wayne County prosecutor, John O'Hair, told the Detroit Free Press he still did not have "one scrap or shred of evidence that Tonya Harding was in any way involved."

NBC said it had confirmed a report in the Oregonian newspaper that investigators suspect Gillooly used some money, donated by Harding's supporters to finance her skating, to pay for the attack.

Harding received almost \$35,000 over the last five years in grants and gifts from athletes, assistance funds and private donors, officials said Tuesday.

The U.S. Olympic Committee confirmed that Harding received grants totaling \$13,679 since 1989.

In addition, the committee said, she got funds from private donors, including \$20,000 from George Steinbrenner, a USOC vice president who owns the New York Yankees.

Hoover maintained that both Harding and Gillooly are innocent, but acknowledged that his client "is tense and nervous."

Gillooly, who has reconciled with Harding since their divorce last year, has said that Eckardt acted on his own in the attack and was not really Harding's bodyguard.

But a letter purportedly written by Gillooly and bearing his letterhead surfaced Monday and said, in part: "We have engaged the protection services of Shawn Eckardt on numerous occasions both nationally and abroad. He is a capable and effective presence."

The letter, attached to Eckardt's resume, was produced by Keith Lowe, an independent security coordinator for the motion picture industry in Portland.

"He almost ruined my career," Lowe said, adding that Eckardt "proposed sabotaging another security company, someone who beat us out of a job, and I just got away from him. He wanted to sue me for breach of contract, then he was waiting outside my apartment all night."

Lowe said he received the letter from Gillooly last February, and believed it was legitimate after meeting Gillooly and Harding with Eckardt.

(AP, AFP)

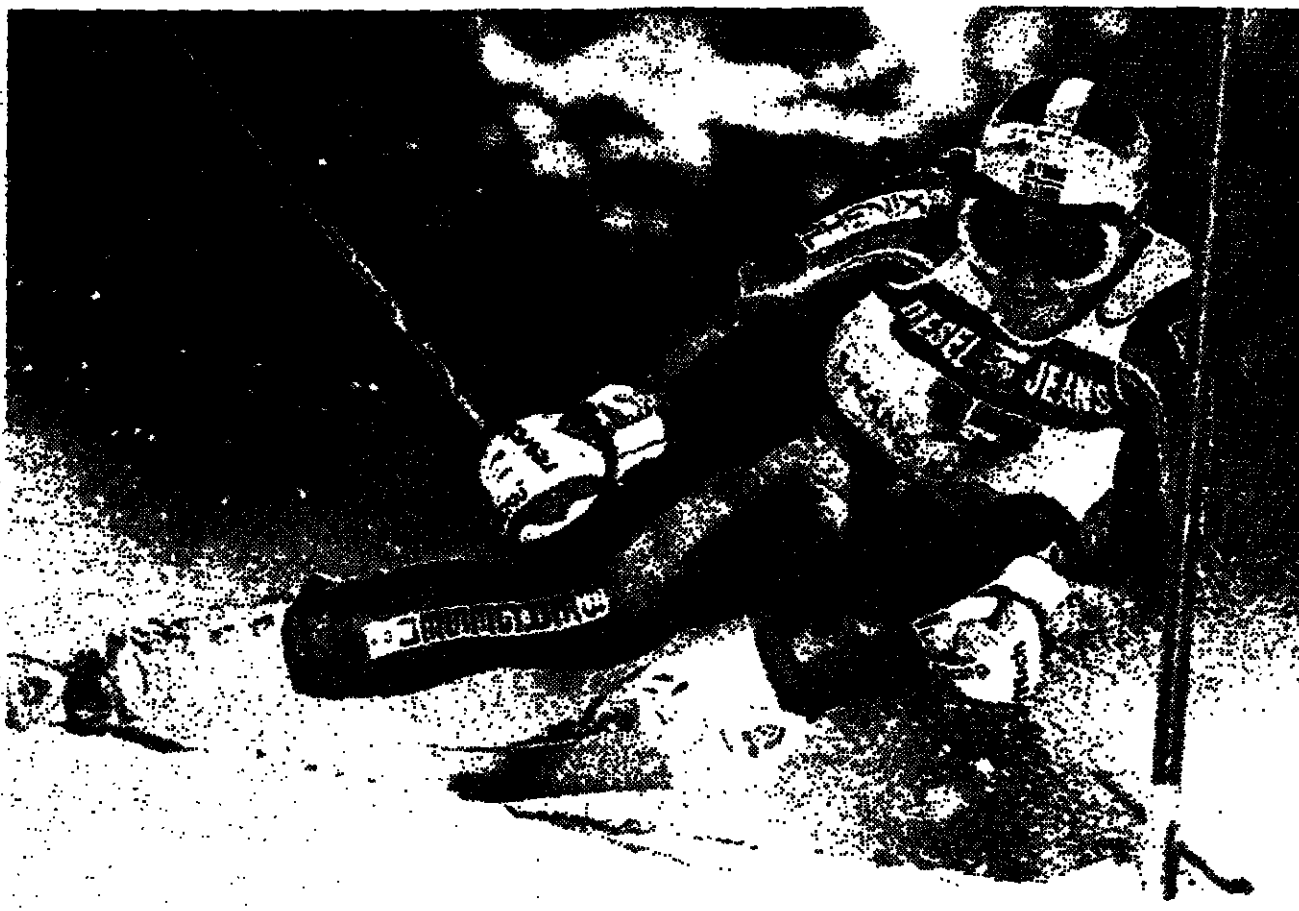
Tolville and Dean Trail

The comeback hopes of Jayne Torvill and Christopher Dean were dealt a blow Tuesday as they were edged out of the top two spots after the opening rounds of the European Figure Skating Championships in Copenhagen, The Associated Press reported.

Maya Usova and Alexander Zhulin of Russia led the competition after the two compulsory dances. Torvill and Dean, a surprising third after the first dance, were tied for second with Russia's Oksana Grischuk and Evgeni Plavtchikov after the second dance.

The compulsory dances count 20 percent toward the total score. The original dance, worth 30 percent, will be skated Thursday with the improvisational free dance.

Traditionally, the couple that wins the first compulsory dance goes on to win the competition.



Jan Einar Thorsen, with his first victory in a World Cup giant slalom race, gave Norway's men their third triumph in a week.

Sweden's Wiberg: When Skiing, Never Say Never

By Ken Shulman

Special to the Herald Tribune

CORTINA D'AMPEZZO, Italy — You can see it in the way she leaves the starting gate. You can see it when she charges through the gates. And you can see it when she skates desperately for the finish line at the end of every run.

Pernilla Wiberg skis to win.

"I would like to win every race I enter," said Wiberg, a 23-year-old Swede, who is the current World Cup overall leader. "It would be hard for me to ski any other way. I can't understand some skiers who go to the starting gate thinking they'll be satisfied with 15th place."

Since joining the World Cup tour in 1989, Wiberg has become one of its most dynamic and enduring acts. In 1991, she burst into the top ranks when she won the giant slalom at the World Championships in Saalbach, Austria. The following year, at the 1992 Winter Olympics in Albertville, she won a gold medal in the giant slalom, leaving the second-place finisher nearly a second behind.

It is not so much that she wins as it is the way she wins that makes Wiberg such an appealing athlete. She skis with a combination of innocence and determination that sets her apart from her rivals.

Switzerland's Veronique Schneider has a more elegant, classic, upright style. Anita Wachter of Austria is smoother in the flats. But no

one on the women's tour exudes the raw, sun-lit energy that animates Wiberg in competition. From her warmup to her finish, she approaches every race as if it were both her first and last chance to excel.

"I enjoy competition, and I enjoy racing," she said, a pure, unbridled smile on her face. "It's important that I enjoy it. I couldn't keep on doing it otherwise."

This year, Wiberg is off to her best start ever, having won two slaloms and Monday's super-G, a title she shared with Lenka Dvornak, a 17-year-old Slovene. And with 905 points in the overall World Cup standings, she has taken a 66-point lead over Wachter, the defending champion. Schneider is third, 162 points behind Wiberg.

Second runs have become Wiberg's showcase, allowing her to rally to victory in two slaloms — from ninth place in Veysonnaz and from eighth in Morzine.

Always strong in the technical specialties, Wiberg has improved markedly in the speed events. Until this season, her best super-G performance had been a 15th place at Santa Caterina in 1991. This year, she has finished sixth, fifth and first in three races. She is even picking up points in the downhill, an event for which she started training only two years ago.

"I always had my mind set on being the best all-around skier on the tour," she said. "And I was sure of being able to do it. Even as a child, I looked forward to being at the

top. It's important to have a goal in front of you."

Wiberg's performance this season is even more remarkable considering that her doctors were not even sure whether she would be able to race this year.

"Last January, I was skiing at Maribor in a slalom, and I hit a bump while coming through a gate," she recalled. "I went to set up for the next gate, but I had no power to turn my ski. I thought my binding had come off."

Pulling out of the course, Wiberg was surprised when saw that her boot was still firmly attached to her ski. Back at her hotel room, her trainer discovered that her Achilles tendon had been severed. Flown back to Sweden, Wiberg had surgery the following day.

The surgeon said that her season was definitely over, and that she might be able to recover in time to compete this season.

In the late spring, Wiberg began her rehabilitation. She worked with weights, rode a bicycle and wore a special flotation vest that permitted her to run in the water.

In August, she stepped back into a pair of boots and took a few careful, leisurely runs down a ski slope. She was not even able to run when she returned to competition at the season-opening giant slalom in November, a race that she failed to finish.

Yet one month later, she finished sixth in

the super-G at Santa Caterina, putting to rest her doctors' concerns that her newly attached tendon might not withstand the strain of high-velocity racing. The next day, she finished third in the giant slalom. In December, she won at Veysonnaz. She has since added two more victories, to bring her career total to eight.

"I was never really sad or discouraged over the summer," she said. "I'd hurt my knee in 1989, and I knew what it was like to have to work my way back into shape. There were a few setbacks this time, but most of the time the recovery went according to schedule."

Wiberg is looking forward to the Lillehammer Olympic Games next month. "I'd like to take another gold there," she said. "Especially in slalom. You have to plan, to chart out your course in the other events. Slalom is more instinctive. You just ski on feeling."

This could also be the year when the World Cup statistics department will give Wiberg the honor of becoming the world's best all-around skier.

"Winning the World Cup is obviously an important goal," she said. "But you have to remember that it's only January. The standings will be up and down all season. If you start thinking about your position in the World Cup, you are afraid to go all out because you might lose points if you fall. It's more important to ski to win."

Norway, Again: Thorsen Takes Giant Slalom

Compiled by Our Staff From Dispatches

CRANS-MONTANA, Switzerland — Jan Einar Thorsen won his first World Cup giant slalom Tuesday and gave Norway, host of next month's Winter Olympics, its third triumph in a week in men's skiing.

Thorsen, better known as a speed racer, overtook first-run leader Rainer Salzgeber of Austria to win in a combined time of 2 minutes, 32.83 seconds. Thorsen was second after the first heat.

Mitja Kunc, among the surging new generation of Slovenian skiers, came in second, 10 behind Thorsen with a career best.

"I was a little nervous in the second leg," said the obviously delighted Kunc, 22. "I decided to ski solidly and not take any risks."

Salzgeber, third at 2:33.44, remained winless on the World Cup circuit.

Two-time Olympic giant slalom champion Alberto Tomba of Italy

skied the fastest second run but had to settle for fourth place, 90 behind. He has won two races this season, both slaloms.

Kjetil André Aamodt of Norway, the reigning giant slalom world champion, finished fifth and widened his lead in the overall points race and the giant slalom standings.

He and teammate Lasse Kjus hoisted a beaming Thorsen onto their shoulders in celebration.

"With my good result in the giant at Val d'Isere I had the feeling that I was on the way up," Thorsen said.

Tomba, who said that he was still troubled by "a bout of influenza and continuing pains in my left thigh," added that "I do not think I should be the considered favorite for the giant in Lillehammer."

"I think my chances are better in the slalom, although I would like to win both," he said. "I am now going to rest for two weeks and get back to top form with training."

Thorsen, 27, won the bronze medal in the super-G at the 1992 Olympics. His only other World Cup victory was in a super-giant slalom two seasons ago.

This season's seventh giant slalom was the last on the tour before next month's Winter Games.

And Norway's male skiers seem to be peaking, with four World Cup triumphs since Jan. 9.

Kjus won a combined last weekend based on his performances in a downhill and a slalom at Kitzbühel, Austria. Aamodt, shooting for his first overall title, won the giant slalom last Tuesday.

He now has 832 points, a lead of 180 over Günther Mader of Austria, who finished 10th Tuesday.

Aamodt has 362 giant slalom points, 26 more than Austria's Christian Mayer.

Slovak officials said Tuesday they will bid for the 2002 Winter Olympics, offering the eastern High Tatras mountains as the primary site.

Vladimir Cernusak, chairman of the Slovak Olympic Committee, said in Bratislava that a preliminary application would be sent to the International Olympic Committee by Jan. 24.

A successful bid "will get rid of Slovakia's inferiority complex," said Jan Magar, mayor of the eastern city of Poprad, which would probably serve as the central venue.

No. 1 Kansas Isn't The Best in Its State

The Associated Press

Playing its first game since being voted No. 1, Kansas proceeded to beat things but good.

With its top scorer knocked out and its second-leading scorer in a shooting funk, the Jayhawks lost, 68-64, Monday night to visiting Kansas State in one of college basketball's oldest rivalries.

Kansas (16-2, 1-1 Big Eight) had won 12 in a row and was the fourth

ing, the Jayhawks' 7-footer, had a weak game and did not play the last 17 minutes.

Kansas tied at 64-64 with 43.6 seconds to go on a 3-pointer by Sean Pearson, but the Wildcats' guard, Anthony Beane, then dribbled off as much of the shot clock as he dared before driving to the middle of the lane and making a running shot over Jacques Vaughn.

Patrick Richey missed in the lane for Kansas, which then was forced to foul Beane. He made two free throws for the final margin.

"I told the kids I apologize," said the Jayhawks' coach, Roy Williams. "I did a poor job of coaching the last three or four minutes. I've always said I'm not going to let the other team stand out there and dribble the clock away. We should have double-teamed him or run at him."

Askia Jones scored 26 for Kansas State (12-3, 1-2) and Beane had 18. Pearson led Kansas with 15 points.

No. 19 Connecticut, 88, Hartford 62. Ray Allen scored 16 of his career-high 28 points in the second half and Donyell Marshall finished with 23 points for most Connecticut (15-1). Hartford (7-5) came in with a six-game winning streak.

COLLEGE BASKETBALL

team this season to take the top spot in the polls.

The Jayhawks lost Richard Scott early after he was kneeed in the forehead by a teammate. Scott, averaging 15.5 points a game and Kansas' main inside player, was taken to the hospital with a possible concussion.

Steve Woodberry, averaging 15.4 points, made just 2 of 11 shots and finished with eight points. Woodberry did not have a field goal in the first half and could not make a 3-pointer in seven tries.

Kansas, which has been outbounding its opponents by an average of more than seven a game, was out rebounded 44-32. Greg Oden-

Spurs' Star Robinson Is Injured, But Bullets Suffer a Worse Blow

The Associated Press

The San Antonio Spurs should have been thrilled after winning their sixth straight. They weren't — the Washington Bullets felt even worse.

Both teams had plenty to first over after losing their highest-scoring players to injuries Monday night in a game won by San Antonio, 100-87.

David Robinson, the Spurs' center who is second in the league in scoring at 18.9 per game, hurt his knee in warmups and ended a string of 119 consecutive games played.

Rex Chapman, leading the Bullets in scoring at 18.9 per game, dislocated his ankle and will be sidelined up to 10 weeks.

"I don't know what I did to it," Robinson said. "In the warmup before the game, I made a quick turn and felt an incredible pain."

Chapman was injured when he stepped on Dennis Rodman's foot while driving the lane. Doctors faced the ankle in a split

Terry Cummings led the Spurs with 21 points, while Rodman had two points and 19 rebounds.

The Spurs held Washington to an all-time franchise low of 23 rebounds, three short of an all-time NBA record for fewest in a game.

Bulls 121, 76ers 91: Chicago ran its home winning streak to 14 games, with Horace Grant on the bench with a sore knee, by burying

Hawks 102, Bucks 98: Atlanta, playing at home, scored a slight edge over Seattle (16-1) for best home record in the NBA (17-1). Dominique Wilkins matched his season-high with 38 points, getting 16 in the third period.

Jazz 109, Pistons 94: Detroit, at home, lost its 13th straight, one

SIDELINES

It May Be a Whitbread Dead Heat

SOUTHAMPTON, England (AP) — The third leg of the Whitbread Round the World Race appeared Tuesday to be headed for the yachting equivalent of a photo finish, with just eight nautical miles separating the first four boats.

Winston, skippered by Dennis Conner, continued to lead the fleet as it sailed the Tasman Sea for Auckland, New Zealand, but the American yacht's once-commanding lead had been cut to one mile by the European yacht Intrum Justitia.

The Japanese-New Zealand entry Yamaha, in second place earlier in the day, had dropped to third, but only two miles off the lead. The Japanese-New Zealand boat Tokyo was fourth.

The first four boats are all Whitbread 60s. The leader in the maxi class, New Zealand Endeavor, was fifth overall, 24 miles adrift of Winston. Uruguay Natural, in last place among the maxis, resumed sailing Tuesday after a brief stop at Hobart, Australia, to repair a damaged rudder.

Japan to Allow More Foreign Horses

TOKYO (Reuters) — Japan is expected to open its five classic races to foreign horses, probably in 1997, an official of the Japan Racing Association said Tuesday.

Horses bred abroad are banned from the five big-money classics to protect local breeders. But in 1992, the JRA, responding to foreign pressure, announced an eight-year plan aimed at admitting foreign horses to a total of 12 races by 1999. Apart from the 3-year-old classics, another five races have been opened from this year. The prestigious Japan Cup has been open for seven years.

The JRA had also decided to ease curbs on foreign jockeys racing in Japan. The official said riders could obtain a license valid for up to three months under certain conditions, notably guarantees of work.

For the Record

German and English soccer officials will meet Wednesday to determine whether to go ahead with a match between their national teams on April 20, Adolf Hitler's birthday, despite threats from neo-Nazi troublemakers, the German Federation said.

Valentino, Italy's renowned fashion stylist, will design the uniforms and wardrobes of Italian soccer players for the World Cup in the United States under an agreement signed Tuesday.

Boris Becker, the three-time Wimbledon champion, became a first-time father when his wife, Barbara, gave birth to a son in Munich. "Mother and child are both well," the father said.

Helen Stephens, 75, the winner of two gold medals in track in the 1936 Games in Berlin and one of the great female athletes of her day, died after a stroke in St. Louis.

Quotable

• C.W. Nevins of the San Francisco Chronicle: "It was just 10 years ago that the Coliseum (in Los Angeles) was being spruced up to showcase 100 white grand pianos for the opening ceremony of the 1984 Summer Olympics. Now it looks like a good spot for a guy with a harmonica and tin cup."

• Larry Sorensen, the former pitcher who is now a broadcaster, waxes nostalgic about Cleveland Stadium: "I remember the wet, the cold and the stench when the sewers backed up."

• Jeremy Nau, a Notre Dame linebacker, asked to name his most memorable sporting event: "The egg toss in Cub Scouts."

INTERNATIONAL CLASSIFIED

PERSONALS MAY THE SACRED HEART OF JESUS be colored, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint Jude, worker of miracles, pray for us. Amen. Say this prayer every day. If you say it every day, you will be protected. If you say it every day, you will be happy. If you say it every day, you will be successful. If you say it every day, you will be loved. If you say it every day, you will be blessed. If you say it every day, you will be saved. If you say it every day, you will be free. If you say it every day, you will be at peace. If you say it every day, you will be at home. If you say it every day, you will be in heaven. If you say it every day, you will be in glory. If you say it every day, you will be in paradise. If you say it every day, you will be in the kingdom of God. If you say it every day, you will be in the city of God. If you say it every day, you will be in the house of God. If you say it every day, you will be in the family of God. If you say it every day, you will be in the church of God. If you say it every day, you will be in the world of God. If you say it every day, you will be in the universe of God. If you say it every day, you will be in the creation of God. If you say it every day, you will be in the redemption of God. If you say it every day, you will be in the resurrection of God. If you say it every day, you will be in the glorification of God. If you say it every day, you will be in the glorification of Jesus. If you say it every day, you will be in the glorification of the Holy Spirit. If you say it every day, you will be in the glorification of the Virgin Mary. If you say it every day, you will be in the glorification of the saints. If you say it every day, you will be in the glorification of the angels. If you say it every day, you will be in the glorification of the archangels. 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OBSERVER

Zounds, Kill That Call

By Russell Baker

NEW YORK — Great news from my telephone company! It came in the last phone bill. "Important Notice," it said. "Thank God!" I cried. "At last!"

My wife's face, careworn and exhausted from endless days and nights of trying to persuade telephone-company salesmen that we did not want to abandon our current telephone company and hire theirs — yes, that dear but careworn wife looked for all too brief a moment young and vibrant once again as it had looked in days of yore before the telephone wars began.

She spoke: "By my troth, good husband, say quickly if they promise to end their telephonic importunings, thus granting us surcease of salesmen offering suspiciously low rates on long-distance calls to places we never call forsooth."

Alas, I said. This was merely good news, not a miracle.

"Give it to me, straight from the shoulder," she said.

"Our decision not to buy the telephone company's Caller ID service is now completely vindicated!" I cried.

"Surely thou killedest."

"Listen and learn," said I. "If this Important Notice is to be believed — and sure it must be, else why would it be yelet 'Important Notice' — then our telephone company is now helping callers to prevent their own numbers from being displayed on the Caller ID boxes people bought for the purpose of finding out what number was ringing their ears."

"Zounds!" she cried. "Tis a miracle of telephonic cancellation. First the phone company provideth people the means to learn the caller's number, then it provideth the caller with the means to prevent people from learning his number."

"And it's so simple," I said. "If I don't want some nosy Caller ID box tipping off its owner to my phone number, I simply punch 67, or 1167 if I'm using a rotary-dial phone."

"My call then rings into Mr., or Mrs., or Miss, or Ms. Nosy who thinks he or she's got the old Caller ID all ready to record my number. But the laugh's on them. Wife, because if I've punched 67, the only thing that appears on Caller ID is the word 'Private' or the letter 'P.'"

"O brave new world, that has such genius in it," she said. "But hath the wretched sap, who hath paid the telephone company for its Caller ID service, no recourse against that company for making a useless mockery of her purchase?"

Sometimes I suspect my wife of playing the innocent just to keep me amused. Surely she knew our telephone company better than that.

It was not the kind of telephone company that, having sold Caller ID service to help its customers scare off breathers and other such sexual harassers, would sell another device to neutralize this protection without providing yet another way for Caller ID customers to compete against the company's new Caller ID neutralizer.

I read as follows from the Important Notice: "Caller ID subscribers can choose not to receive calls from people who block the display of their number. By dialing 77, (or 1177 on a rotary phone), Caller ID subscribers can activate Anonymous Call Rejection."

And at no extra charge!

"After activating the service, you will hear an announcement telling you that callers who wish to speak with you must unblock their numbers in order for your telephone to ring. If you do not activate this service, all calls will ring your telephone. To de-activate Anonymous Call Rejection, simply dial 87 (or 1187 on a rotary phone)."

"Doth this make sense," asked my wife, "or doth our telephone company do such things in obedience to some vice president for ridiculous ideas, whom we know not?"

What do I care? I'm too happy about not having bought Caller ID in the first place, thus saving us both from the toll of mastering yet another batch of numbers.

New York Times Service

By David Gonzalez

New York Times Service

NEW YORK — In his career as an Episcopal priest, the Reverend Robert Castle has hauled himself eagerly into the fray — whether befriending and supporting Black Panthers in Jersey City, New Jersey, demonstrating against the Vietnam War in Washington or agitating for social justice in Harlem.

His defiant refusal to compromise his beliefs has earned the outspoken 64-year-old cleric both accolades and arrests. "At my age," he said, in the cluttered rectory of his Harlem church, "I don't have any hesitation about anything anymore."

Well, there was the matter of kissing Joanne Woodward.

You see, Castle, better known as Cousin Bobby from the side of Jonathan Demme's 1992 documentary about him, appears in Demme's new movie, "Philadelphia," as Tom Hanks' father, Bud Beckett — and Joanne Woodward's husband.

One scene called for Castle to kiss Woodward during the Becketts' 40th anniversary party, and Demme admitted it required a bit of coaxing to nudge him over his shyness.

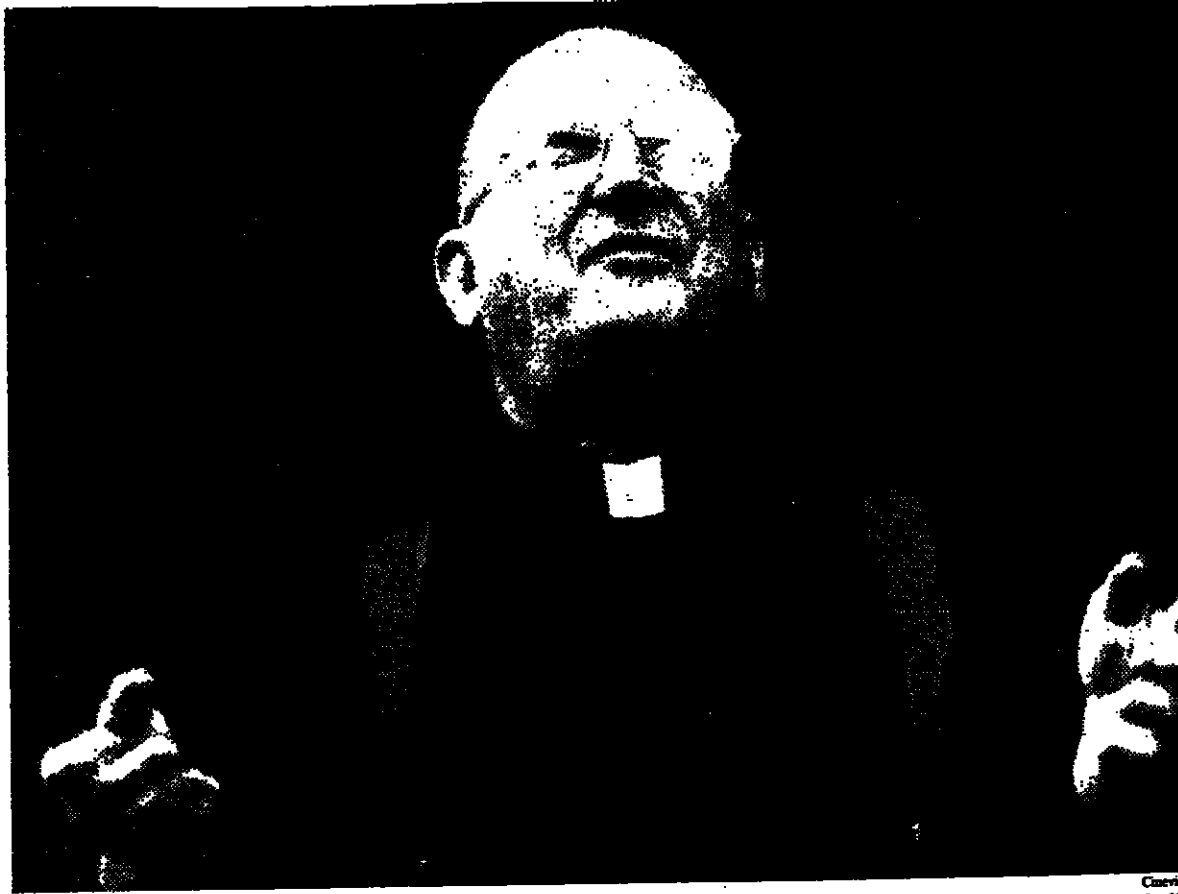
Recalling the scene, which was eventually cut from the film, Castle became uncharacteristically flustered. "It was just a...," he began, then paused. "I guess I did. Period." Another pause, a weak smile and a wave. "I'm an old man now."

Viewers of "Cousin Bobby" know that reluctance is a word not often associated with Castle, a hulking man with a stubbly pate and wire-rim glasses. "I'm shy about some things. But issues of social justice I'm not shy about." Indeed, angered by New York City's refusal to install a stoplight at a dangerous intersection near his church, he had his congregants haul the altar from the sanctuary and gleefully celebrated mass in the street.

Appalled by the rampant drug use and sales that claimed many lives in his community, he spoke like a man possessed at a rally in 1989, accusing the city's power structure of condoning nothing less than genocide.

Demme said the idea of casting Castle — who really is his cousin — as the father of a young lawyer who is wrongly dismissed from his job because he has AIDS originated with Ron Nyswaner, the screenwriter. Demme said Nyswaner had helped arrange a screening of "Cousin Bobby" at an upstate New York festival and had been impressed with Castle's commitment and spunk. "I probably would have been afraid on a nepotism level," Demme said. "But since someone else had suggested it, it's O.K."

Castle, who said he is easily bored, seized the chance to read for the part, even



The Reverend Robert Castle, cousin of filmmaker Jonathan Demme, is Joanne Woodward's husband in "Philadelphia."

if he was a little unsure about his acting. "In getting this part I had confidence in my role because I knew Mr. Demme wouldn't put something on the screen that he'd make sure I'd do it right."

Although Castle joked that his only acting comes every Sunday at church, Demme saw a grain of truth in that. "He's an emotional guy and a communicator," the movie appalled to Castle not just for its treatment of the AIDS issue, but also for its portrayal of a family that accepted their son's homosexuality and supported him during his trial. His own church, St. Mary's, runs an AIDS residence, and Castle says he knows what it is like to see friends wither away from the disease.

The experience of losing friends and parishioners to AIDS positively helped Castle achieve the right frame of mind for the part, he said, adding that those experiences were more on a subconscious level. But he drew directly on a more personal tragedy, the death of his own son Robert,

who drowned while swimming in a Vermont river at the age of 19.

His memories of the accident prompted him to add to his lines in the scene where the Becketts say what would be their final good-bye to Andy as he lies in a hospital bed, tubes in his arms and an oxygen mask on his face. "The line originally was 'Good night, son. Try to get some rest,'" Castle recalled. "What I added was 'I love you, Andy.' This was very important to me. If I had been able to see my son before he died, I would have wanted to say that to him."

The "Philadelphia" role is not Castle's first. He and his wife, Kate, had fled from non-speaking roles as missionaries getting off a plane in "The Silence of the Lambs." Kate Castle noted that her husband's acting is a welcome relief from the strains of his pastoral and political work.

"He needs a little glamour in his life," she said. "I think he loves it, even though the minute it's over it doesn't mean much to him. But while he's at it, he loves it."

She said she once joked that her husband said he'd like to go against type, perhaps playing a villain. But she knows that he looks more like a priest or a cop.

However slim, there might be a chance to delve into that darker side, Demme said some colleagues have said Castle would be a good choice to play T. Eugene (Bull) Connor, the segregationist Public Safety Commissioner of Birmingham, Alabama, during the 1963 civil rights demonstrations, in a movie he plans based on the Taylor Branch history "Parting the Waters."

For a person of Castle's political bent, that might be too much evil to handle. "There are plenty of guys who can play Bull Connor — with conviction maybe," he said. "Let me be somebody else, for a cause."

He says his convictions will keep him as a pastor in Harlem, even though he may hedge his bets and get an agent. "I'm not sure about just doing anything," he said. "I am first a priest. That's what I want to do and be."

PEOPLE

Charles Steps Down, From His Polo Pony

A change of lifestyle: Prince Charles will give up competitive polo for fear of damaging his back, which he injured playing the game last year, but he will continue to appear in a few charity matches. Charles has suffered back strain on several occasions from playing polo, and in 1990 he broke an arm when he took a spill during a match. Charles's mother, Queen Elizabeth II, broke a bone in her wrist when her horse fell last week-end. "He will play considerably less polo this year," a spokesman for Charles said. "He is simply not prepared to take the risk of his back letting him and everyone else down."

Cecilia, a pop star and former member of the Italian Parliament, has won the right to see her 14-month-old son, Ludwig, during a custody battle over him. The pop star, whose real name is Ilona Staller, is fighting her estranged husband, the artist Jeff Koons, for the child, whom Koons removed from Rome on Christmas Eve and brought to New York.

Jean Favre, the director of the French National Archives, was named Tuesday to preside over the high-tech national library under construction on the banks of the Seine. The Bibliothèque Nationale de France, one of President François Mitterrand's grand architectural projects, is expected to open in December 1996. Favre, a medieval specialist, will oversee the two-year transfer of 11 million volumes to the new library.

Kenneth Clarke, the chancellor of the Exchequer, was ranked as the scruffiest member of Britain's House of Commons. Clarke, known for his pot belly, crumpled suits and shabby suede shoes, gained the dubious distinction from Visual Image, a media group that coaches top executives in presentation skills. Clarke's boss, Prime Minister John Major, could manage only eighth place in the sartorial-disaster sweepstakes.

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Appears on Pages 4, 5 & 17

WEATHER

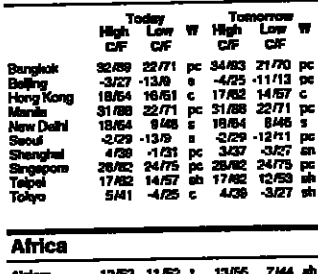
Forecast for Thursday through Saturday, as provided by Accu-Weather.

Europe	Today	High	Low	Tomorrow	High	Low
Algeria	12/53	64/3	12/53	64/3	64/3	64/3
Amsterdam	54/63	104/1	54/63	104/1	104/1	104/1
Athens	74/84	104/2	74/84	104/2	104/2	104/2
Bahia	15/46	81/6	15/46	81/6	81/6	81/6
Barcelona	11/52	104/1	11/52	104/1	104/1	104/1
Belgrade	37/77	93/2	37/77	93/2	93/2	93/2
Berlin	37/77	93/2	37/77	93/2	93/2	93/2
Bombay	42/58	104/1	42/58	104/1	104/1	104/1
Buenos Aires	37/77	93/2	37/77	93/2	93/2	93/2
Calcutta	37/77	93/2	37/77	93/2	93/2	93/2
Caracas	11/52	64/3	11/52	64/3	64/3	64/3
Chennai	54/63	104/1	54/63	104/1	104/1	104/1
Cairo	54/63	104/1	54/63	104/1	104/1	104/1
Canton	54/63	104/1	54/63	104/1	104/1	104/1
Chongqing	54/63	104/1	54/63	104/1	104/1	104/1
Colombo	54/63	104/1	54/63	104/1	104/1	104/1
Copenhagen	54/63	104/1	54/63	104/1	104/1	104/1
Dakar	54/63	104/1	54/63	104/1	104/1	104/1
Dhaka	54/63	104/1	54/63	104/1	104/1	104/1
Dublin	54/63	104/1	54/63	104/1	104/1	104/1
Edinburgh	54/63	104/1	54/63	104/1	104/1	104/1
Hankow	54/63	104/1	54/63	104/1	104/1	104/1
Hong Kong	54/63	104/1	54/63	104/1	104/1	104/1
Kobe	54/63	104/1	54/63	104/1	104/1	104/1
Kuala Lumpur	54/63	104/1	54/63	104/1	104/1	104/1
London	54/63	104/1	54/63	104/1	104/1	104/1
Los Angeles	54/63	104/1	54/63	104/1	104/1	104/1
Madras	54/63	104/1	54/63	104/1	104/1	104/1
Manila	54/63	104/1	54/63	104/1	104/1	104/1
Moscow	54/63	104/1	54/63	104/1	104/1	104/1
Mumbai	54/63	104/1	54/63	104/1	104/1	104/1
Nairobi	54/63	104/1	54/63	104/1	104/1	104/1
Paris	54/63	104/1	54/63	104/1	104/1	104/1
Perth	54/63	104/1	54/63	104/1	104/1	104/1
Port of Spain	54/63	104/1	54/63	104/1	104/1	104/1
Rangoon	54/63	104/1	54/63	104/1	104/1	104/1
Rio de Janeiro	54/63	104/1	54/63	104/1	104/1	104/1
Singapore	54/63	104/1	54/63	104/1	104/1	104/1
Sourabaya	54/63	104/1	54/63	104/1	104/1	104/1
Taipei	54/63	104/1	54/63	104/1	104/1	104/1
Tokyo	54/63	104/1	54/63	104/1	104/1	104/1
Yokohama	54/63	104/1	54/63	104/1	104/1	104/1



North America High winds will sweep across Ireland, the northern U.K. and western Norway Thursday and Friday. Paris and London will have gusty winds late this week with a few showers. A slow-moving storm will bring heavy rains to the Pacific Northwest Friday into Saturday.

Asia	Today	High	Low	Tomorrow	High	Low
Bangkok	30/86	27/71	30/86	27/71	27/71	27/71
Beijing	32/77	13/6	32/77	13/6	13/6	13/6
Bombay	31/86	27/71	31/86	27/71	27/71	27/71
Buenos Aires	18/54	54/6	18/54	54/6	54/6	54/6
Calcutta	31/86	27/71	31/86	27/71	27/71	27/71
Chennai	31/86	27/71	31/86	27/71	27/71	27/71
Canton	31/86	27/71	31/86	27/71	27/71	27/71
Chongqing	31/86	27/71	31/86	27/71	27/71	27/71
Colombo	31/86	27/71	31/86	27/71	27/71	27/71
Copenhagen	31/86	27/71	31/86	27/71	27/71	27/71
Dakar	31/86	27/71	31/86	27/71	27/71	27/71
Dhaka	31/86	27/71	31/86	27/71	27/71	27/71
Dublin	31/86	27/71	31/86	27/71	27/71	27/71
Edinburgh	31/86	27/71	31/86	27/71	27/71	27/71
Hankow	31/86	27/71	31/86	27/71	27/71	27/71
Hong Kong	31/86	27/71	31/86	27/71	27/71	27/71
Kobe	31/86	27/71	31/86	27/71	27/71	27/71
Kuala Lumpur	31/86	27/71	31/86	27/71	27/71	27/71
London	31/86	27/71	31/86	27/71	27/71	27/71
Los Angeles	31/86	27/71	31/86	27/71	27/71	27/71
Madras	31/86	27/71	31/86	27/71	27/71	27/71
Manila	31/86	27/71	31/86	27/71	27/71	27/71
Moscow	31/86	27/71	31/86	27/71	27/71	27/71
Mumbai	31/86	27/71	31/86	27/71	27/71	27/71
Nairobi	31/86	27/71	31/86	27/71	27/71	27/71
Paris	31/86	27/71	31/86	27/71	27/71	27/71
Perth	31/86	27/71	31/86	27/71	27/71	27/71
Port of Spain	31/86	27/71	31/86	27/71	27/71	27/71
Rangoon	31/86	27/71	31/86	27/71	27/71	27/71
Rio de Janeiro	31/86	27/71	31/86	27/71	27/71	27/71
Singapore	31/86	27/71	31/86	27/71	27/71	27/71
Sourabaya	31/86	27/71	31/86	27/71	27/71	27/71
Taipei	31/86	27/71	31/86	27/71	27/71	27/71
Tokyo	31/86	27/71	31/86	27/71	27/71	27/71
Yokohama	31/86	27/71	31/86	27/71	27/71	27/71



Europe High winds will sweep across Ireland, the northern U.K. and western Norway Thursday and Friday. Paris and London will have gusty winds late this week with a few showers. A slow-moving storm will bring heavy rains to the Pacific Northwest Friday into Saturday.

Chicago	-16/4	-20/3	pc	-17/6	-16/4	pc
Dawson	13/25	-4/25	S	13/55	-4/25	pc
Detroit	-15/6	-19/3	c	-18/14	-14/7	pc
Honolulu	18/26	18/24	c	18/26	17/52	pc
Los Angeles	19/27	19/27	c	15/29	6/43	pc
Los Angeles	26/79	11/52	S	22/71	9/46	S
Miami	21/70	14/47	S	24/75	15/59	S
Minneapolis	-10/0	-21/5	c	-11/13	-19/2	S
Montreal	-21/45	-31/23	pc	-14/7	-23/4	pc
Nassau	25/77	20/68	ch	26/79	19/68	ch
New York	-11/13	-19/4	S	-4/18	-9/15	pc
Phoenix	27/80	12/55	S	24/75	9/49	S
San Francisco	18/26	6/43	c	17/52	7/41	pc
Seattle	18/26	4/25	c	9/48	3/27	c
Tokyo	-19/2	-22/7	ch	-9/18	-15/6	pc
Washington	-18/15	-31/7	S	-7/20	-18/1	pc